PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Tuesday, March 22, 1994

No. 34,542

# A Wireless Project That's Out of This World

By Edmund L. Andrews
New York Times Service

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INTERNATION

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WASHINGTON - Two of America's wealthiest entrepreneurs in communications and computers, Craig O. McCaw and William H. Gates, on Monday announced the formation of a company to develop a global satellite communications network far more ambitious than anything contemplated

Indeed, the project is so big and so radically different from current satellite systems that it might be dismissed as an idle fantasy were it not for the two people behind it: Mr. McCaw, who built McCaw Cellular Communications into the largest cellular telephone company in the industry, and Mr. Gates, who turned Microsoft Corp. into the biggest software compa-

Even for businessmen with their records, the task is daunting. Their new company, Teledesic Corp., based in Kirkland, Washington, is proposing to build a \$9 billion system with 840

The network would transport information ranging from

ordinary telephone calls to high-resolution computerized medical images and two-way video conferences to and from virtually any spot on the planet.

As envisioned, the system would be able to deliver almost as many services as the new liber-optic networks being built by many telephone companies. But it would be able to reach underdeveloped and rural areas that are typically cut off from

advanced communications. "The real promise of this system is to bring access for rural and remote areas of the world to the health and education services that you can get in major urban centers," Russell Daggatt, president of Teledesic, said,

Mr. Daggatt, a telecommunications lawyer who has worked closely with McCaw Cellular, will be leading a project that has been under secret development by Mr. McCaw and Mr. Gates

in a filing with the Federal Communications Commission on Monday, the company outlined the system and requested permission to begin construction with a view to providing

Some industry analysts cautioned that it would be premature to dismiss the concept simply because of its extraordinary scale. Indeed, Motorola Corp. has defied many skeptics in its effort to build a \$3.3 billion satellite telephone system called Iridium that would use 66 spacecraft.

"Iridium seemed like a wild idea, too, but Motorola has been able to raise \$800 million," said Richard Shaffer, a principal at Technologic Partners, a New York firm that tracks the computer and communications industry. "It's a big idea, but Craig McCaw got where he is today because he had a big idea about cellular telephones and he pursued it when skeptics said he was going too far."

Right now, the plan is still little more than a vision. Aside from the tiny fraction that Mr. McCaw and Mr. Gates have personally contributed so far, the company has yet to raise my of the construction and launch money it will need.

The plan depends on signing up big corporate partners from around the world, which might include state-owned See NETWORK, Page 8

# **Clinton Will Send** Missiles to Seoul

# UN Expected to Opt for New Appeal As Crisis Grows Over Nuclear Issue

President Bill Clinton said Monday that be had agreed to deploy Patriot anti-missile bat-teries in South Korea, and the United States announced that plans for war games on the peninsula were revived, putting new pressure on North Korea to open its suspect nuclear sites for international inspection.

Mr. Clinton, who was in Florida to promote his health plan, said that the deployment of the Patriot missiles was a "purely defensive" response to the crisis caused by the North's refusal to open all its nuclear plants to international inspection, feeding suspicions that it is building a nuclear bomb.

The United States and South Korea also said they would reconsider whether to resume preparations for the military exercises known as Team Spirit, which North Korea has condemned as a preparation for war. The exercises were suspended in the hope of coaxing the North into allowing full inspections of its nuclear plants.

The moves were designed to allow more time for a diplomatic solution, administration of ficials said. They said the administration wanted to show China, Japan and South Korea that it was doing everything possible to settle the dispute without a confrontation.

The Patriot missiles, for instance, will be sent to South Korea by sea, a voyage that could take 30 to 45 days. And while the administration has begun to work on a United Nations resolution to apply fresh economic penalties to North Korea, the first move will be only a warning.

North Korea, accusing the United States of strong-arm tactics and saying it had no nuclear secrets to hide, threatened to pull out of the Nuclear Nonproliferation Treaty, the 1970 accord to limit the spread of nuclear weapons. In Vienna, the International Atomic Energy

Agency on Monday referred the North's refusal to comply with the treaty to the United Nations Security Council. Fearing a Chinese veto, the United States

stopped short of pushing for economic sanc-tions against North Korea on Monday, and instead began a drive in the Security Council for another appeal to Pyongyang to cooperate.

The chief U.S. delegate to the United Nations, Madeleine K. Albright, said the United Korea to allow the inspections.

"This is not a sanctions resolution," she said.
"This is one which really calls on them to return

to an inspections' regime." The threat of sanctions could be made in a

second resolution if the first fails to persuade the North Koreans to cooperate. diplomats The Chinese are likely to support or at least abstain in a vote on a resolution that stops short

of sanctions, but they did not state their position in Monday's Security Council meeting. North Korea's threat to pull out of the nonproliferation treaty came on the day that it was to have met in Geneva with American envoys to

resolve the crisis. Washington called off the talks because of Pyongyang's refusal to fully disclose its nuclear plans.

Mr. Clinton said: "We have agreed that it is in our national interests and the interest of the

people of South Korea and the security of our armed forces there to proceed with the Patriot leployment. So we will do that." He did not disclose the dates of the deploy-

ments or the numbers of Patriot units involved. "I want emphasize that this decision on the Patriots is purely defensive in nature," he said. Patriot missiles were used in 1991 during the Gulf War to defend Israel and Saudi Arabia against Iraqi Scud missiles.

In South Korea, President Kim Young Sam said the missiles would be deployed around U.S. military bases and other key sites "as soon as possible," a spokesman said.

South Korea also said it would discuss resuming preparations for the Team Spirit maneuvers with the United States. The exercises were suspended March 3 on the condition that North Korea allow inspection of its nuclear sites. President Kim said he would decide whether to go ahead with the exercises at the end of this month, after returning from trips to Japan and China.

Secretary of State Warren M. Christopher, referring to the joint exercises, said in Washington: "Now that the negotiations are at an impasse, I can tell you we'll be talking to the South Koreans about reinstituting them and doing it in the very near future."

The atomic energy agency's governing board See KOREA, Page 5

# THREATENING — South African police near Durban taking aim at people Monday after a boy was killed by gumfire. Throughout Natal Province, 34 people were killed. Page 2.

# A Worldwide Oil Hunt Leads to China's Savage Sands

By Steven Mufson and Steve Coll Washington Post Service

BELITNG - Out beyond Outer Mongolia, a long day's drive past sheer mountain peaks, yet another day's journey across a swamp where an explorer would sink to the waist, there lies a forbidding wasteland whose name in the local Uighur tongue means "you can get in, but not

This is where travelers along the ancient silk route had to detour - there was no way through. Sand dunes tower as high as 75-story buildings. Temperatures plunge below zero Fahrenheit (minus 17.8 centigrade) in winter

Tao, president of the Chinese National Petro-leum Corp., said, "We do not fear hardships."

Not when such riches beckon. Some oil speand soar to 120 degrees in summer. It is a landscape so desolate, said Galen Cobb of Halliburton Co., a Dallas-based oil services

company, "it looks like you're on the moon." Yet lately Halliburton and scores of other foreign oil prospectors have been trekking to the Tarim Basin, as it is called. Their surveying equipment disappears in shifting sands. Bulldozed roads vanish. Still, they press on. Wang

cialists believe the Tarim Basin may hold nearly as much oil as Saudi Arabia. For 45 years, the basin has been sealed off to foreigners by a Communist Chinese government proud of its self-sufficiency and hostile to Western capitalism. Now Beijing has done an about-face, deciding that the only way to profit from Tarim's treasure is with Western technology and West-

China's turnaround in Tarim is part of a momentous opening of the global economy, the biggest reorganization of world economic activsince the cataclysms of World War I and World War II.

With the Cold War's demise, international capitalism, in the form of free domestic markets and open borders to trade and investment, has become the closest thing to a guiding ideology throughout the world. With its spread has come

See TARIM, Page 8

# **UN Finds Heavy Weapons** Serbs Hid Near Sarajevo

By David B. Ottaway Washington Past Service

SARAJEVO, Bosnia-Herzegovina — UN troops have discovered a large cache of Serbian heavy weapons hidden inside the exclusion zone around Sarajevo in the worst violation of NATO's ultimatum requiring that all heavy arms be withdrawn at least 20 kilometers from the capital, UN officials said here Monday.

The arms cache, found by Canadian UN troops just inside the zone, includes four tanks, three anti-aircraft guns, four howitzers and 18 mortars that the Serbs had refused to withdraw

or hand over to the United Nations. The discovery of the weapons, on Sunday,

raises questions about whether the Bosnian Serbs, who had agreed to comply with the NATO ultimatum, have other such stockpiles inside the exclusion zone, as the Bosnian government has consistently alleged.

DAENIKEN, Switzerland (AP) - The

crane of a work train sliced through a passing

express train at window level Monday, killing

seven passengers and injuring at least 15

The crane apparently swung into the pas-

enger train, cutting the top off a baggage car

and forcing it off the rails, said a spokesman

for the Solothurn canton police. It then cut into the next three cars, which were carrying

The accident occurred between Daeniken

and Schönenwerd, near Aarau, in northern

Switzerland. The train had originated in Brig

others, the police said.

passengers.

The UN Protection Force rushed an additional company of 100 Canadian troops to the site late Sunday. The Canadians were described as involved "in somewhat of a face-off" with Serbian troops, who had laid mines to prevent the Canadians from seizing the weapons. UN spokesman, Major Simon

MacDowall, said that while the two sides had their guns pointed at each other, there had been no shooting and the situation was "not too

Talks with the local Serbian commander had hieved no results, he said.

The Serbs are disputing the UN force's contention that the heavy weapons lie inside the exclusion zone. They are at Cifluk, which is between 18 to 20 kilometers northwest of Sarajevo, near the main highway to Visoko. The ighway is scheduled to be opened Wednesday to civilian traffic for the first time in two years.

None of the weapons has a long enough range to hit Sarajevo, but they would be capable either of hitting the Sarajevo-Visoko highway or Visoko itself, Major MacDowall said. The weapons were found by a platoon of Canadians in the UN force stationed at Cifluk to keep track of six other Serbian howitzers never surrendered or withdrawn by the Feb. 21

deadline set by NATO for the pullback of the Serbs' heavy weapons. Platoon members had begun exploring the area to see if there were other arms.

Major MacDowall said that there was no plan to call in an air strike by NATO to destroy them. Instead, UN officials were pursuing "strong forceful negotiations" with leaders of the Bosnian Serbian military and civilian lead-

"The UN is not prepared to enter into this war as another combatant," he said. "We're not going to start a ground-air operations to seize these weapons by force."

The UN force's chief of staff, General A. Van Baal, went on Monday to Pale, the headquarters of the Bosnian Serbs, to talk to their military commanders and to try to see their president Radovan Karadzic.

Despite the reported Serbian violation. Major MacDowall insisted that the UN peacekeeping force had achieved its main objective:

See SERBS, Page 8

# The Dual-Justice System Settlers Are Governed by Israeli Law, \*But Arabs Answer to Military Rulers

By David Hoffman

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Washington Post Service HEBRON, Iraeli-Occupied West Bank - In the last few days, Rabbi Moshe Levinger and the Zemarya brothers took a trip through Israel's justice system. But they went in very differ-

Mohammed Zemarya, 20, and his brother, Raed, 19, were accused of throwing stones at Israeli cars. When their turn came before Israel's military court in Hebron, no witnesses showed up. Their lawyer gave them two options: Accept a three-month sentence immediately, without a trial, or wait in detention for the witnesses and probably get a year in prison. They took three months.

The day before, Rabbi Levinger, 59, a pioneer of the militant Jewish settlement movement in Hebron, was charged with disobeying an order from the army almost two years ago. Although he claims a biblical right to live in Hebron, he did not go to the same military courtroom as the Zemarya brothers.

Rabbi Levinger went to Jerusalem, inside Israel's pre-1967 borders. He appeared in magistrate's court under rules set by Israel's criminal code and was freed on bail the same day, with a trial date set for next month. He walked

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out of the courtroom and acknowledged that he may have violated the law.

"In every democratic state, people demon-strate," he said. "Perhaps some of my demonstrations were also a little bit against the law." The separate treatment of Rabbi Levinger and the Palestinian brothers underscores one of the most enduring legacies of Israel's quarter-century occupation of the West Bank and Gaza

Strip. Since Israeli Jews began settling the rocky spine of mountains in the West Bank and the sandy dunes of Gaza after the 1967 war, Israel has created a dual system of rules, laws and procedures based on nationality: one for Arabs and one for Jews. As Israel built 144 Jewish settlements across the territories, it also sought to protect the Jewish residents who lived there. They were put

inside a legal, social and economic bubble and offered the same rights and privileges as if they had never left Tel Aviv. The Arabs were excluded from this system and were governed instead by Israel's military occupation. When the militant Jewish settler, Dr. Baruch Goldstein, walked into the Tomb of the Patri-

archs in Hebron on Feb. 25 to carry out the mass murder of Muslims at prayer, he was in many ways still shielded by this bubble. And questions raised in the aftermath of his massacre of at least 29 Palestinians have east light on the dual system. According to testimony given to the five-man

commission under the president of the Supreme Court, Meir Shamgar, that is investigating the killings, soldiers and policemen who were guarding the Tomb of the Patriarchs were operating under the dual system. For example, when Dr. Goldstein arrived

that morning in his settlement's security jeep, he was armed, wearing an army uniform and carrying a bag with seven magazines of ammu-

See JUSTICE, Page 8

HANG SENG FALLS - A stock broker checking figures in Hong Kong, where the index plunged 5.09 percent Monday. The fall led to an Asia-wide sell-off. Page 17. Crossword

#### Down 0.88% 30.80 3,864.85 112.38 AW Action (Auto) The Dollar 1.4905 1.4885

105.875

Sports Tonya Harding's former husband and two

Nancy Kerrigan.

# other men have been indicted on racketeering charges connected with the attack on skater Page 24.

# Book Review

#### and stopped in Lausanne and Biel. It was en route to Romanshorn on Lake Constance. Regional train traffic was halted on the

106,12

line, a spokesman for the Swiss Federal Railways said. Longer-distance trains on the Page 4. main western corridor were rerouted, causing delays of up to an hour.

Kiosk

7 Killed on Swiss Train Hit by Crane

# Wolf in Monk's Robes? A Lurid Tale Binds the Thais

By William Branigin

Washington Post Service BANGKOK -- In a country that had its share of Lorena Bobbitts 20 years ago, where men routinely take "minor wives" and where politicians offer prostitutes like party favors at their celebrations, it takes a pretty lively sex scandal to hold people's

The case of Phra Yantra Amaro Bhikkhu has certainly done that. Two months after the charismatic Buddhist monk was first accused of various sexual transgressions and other unmonklike behavior, Thais are still avidly following a story that sounds more like a soap opera about an international jet-setter than the tale of a Buddhist preacher. And they are waiting for

some answers about Phra Yantra. Did he or didn't he father a child in Belgrade, violating his

German disciple, had sex with a Cambodian nun on the deck of a cruise ship and courted female followers in long-distance phone calls? Or is it all a conspiracy by a gang of anti-Buddhist women called the "monk hunters"?

Is Phra Yantra a wolf in monk's clothing, as detractors allege, or are rival monks jealous of his shaven-headed good looks and large, heavily female following? Are Thai authorities engaged in a cover-up in the case? And will he or won't he be

The episode has also raised questions about monks' relationships with women and about religious practices that some feminists describe as sexist. It has led to some unusually candid admissions from monks about how they deal with lust in a permissive society where temptations are everywhere.

In Thailand's male-dominated culture, the practice of taking vows of celibacy? Is it true he seduced a Danish harpist and a mistresses, known as "minor wives," has been all but institu-

tionalized and reaches into the highest levels of society. So, too, does the practice of frequenting prostitutes.

At a celebration last year titled "Parliament Closure: The Bachelors' Style," a political party in the governing coalition gave away about 20 call girls to its members of parliament after a Chinese dinner at a Bangkok hotel, Thai newspapers report-

Sometimes, however, men's philandering has pushed Thai women over the edge. There were numerous penis-lopping incidents here long before "Bobbitt" became a household

The Phra Yantra case, on the other hand, has offered aficionados a steady diet of steamy revelations and an open feud between him and his chief accuser, a rival monk, Phra

See MONK, Page 5

Compiled by Our Staff From Dispatches

BRUSSELS — European Union foreign ministers will try again Tuesday to break British and Spanish resistance to changing voting rules in an expanded EU, but Britain warned of a continuing deadlock.

The British foreign secretary, Douglas Hurd, said the meeting, the third in as many weeks, may not be decisive in resolving a battle over national veto rights when, as planned, the EU expands to 16 nations from 12 next year.

whether to reduce the rights of a nations to block EU decisions. Until the issue is resolved, expands to 16 nations from 12 next year.

Sometimes agreement takes longer than the Institute of European Affairs in Dublin. at the current level so the new additions will Diplomats from other countries also were not dilute their influence. essimistic about chances of a deal since the issue has become embroiled in British do-make decision-making less combersome.

the government against backing down.

A stalemate Tuesday is expected to worsen the crisis atmosphere in the Union. Norway, Sweden, Finland and Austria

completed negotiations on membership terms earlier this month. But the 12 current members have continued bickering over whether to reduce the rights of a minority of Until the issue is resolved, expa

cedures are blocked. we hope, and this may unfortunately be true

Britain and Spain want the level of votes
again this week, Mr. Hurd said Monday to
needed to form a "blocking minority" to stay

The 10 other nations want to increase it to

needed to block a proposal within meetings of EU ministers. All EU members, except that their relationship at the heart of the EU Britain and Spain, want to raise the thresh- is as strong as ever.

old to 27 votes out of 90.

Mr. Hurd insisted member states need to be sure their views would "not be steamrollcred." If the blocking minority is increased, that can no longer be assured, he said. The foreign ministries of France and Germany said Monday that they had agreed over

the weekend on a joint position ahead of Tuesday's meeting. They declined to specify further. France last week became embroiled in a diplomatic spat with Germany when its amssador was reported to have expressed

worries that Bonn was riding roughshod over

mestic politics, with anti-European hard-lin-ers in the ruling Conservative Party warning to their size. Currently, 23 votes out of 76 are the new members into the Union. Both gov-

If the EU talks fail Tuesday, the enlargement could be delayed beyond the target of Jan. 1, 1995.

The European Parliament has to approve the expansion, including any change in voting procedures. The Union's 518-seat assembly is backing the 10 other EU nations against Spain and Britain.

After approval by the European Parliament, the four applicant nations will hold referendums on membership and the parliaments of the current EU nations also must

# **Touvier** Oath to Fight Jews

VERSAILLES, France - Paul Touvier, the Nazi collaborator charged with crimes against hu-manity, admitted Monday that he had taken an oath to combat "Jew-ish leprosy," but he denied that he was anti-Semitic.

Testifying for the first time in his trial, Mr. Touvier said he was shocked by the anti-Jewish rhetoric of his comrades in a militia that collaborated with the Gestapo in German-occupied France.

Mr. Touvier, 78, is charged with arranging the executions of seven Jewish hostages near Lyon in June 1944 while serving as the militia's intelligence chief.

The head of the three-judge pan-el, Henri Boulard, led Mr. Touvier through his life story.
"I never considered myself anti-Semitic," Mr. Touvier said. "I am a

practicing Catholic."
He denied knowing anything of German massacres of French civilians after D-day, or of roundups of Jews in 1942.

"I wasn't aware, not at all," he said. "There was no television and we only listened a little to the radio. It was censored. We didn't know anything about roundups or depor-Judge Boulard read documents

giving the ideology of the pro-Nazi militia in which Mr. Touvier served, including a vow to combat "Jewish leprosy" and promote

French purity. Mr. Touvier was asked if he took

this oath.
"Yes," he replied, "but in a group. It shocked me. I didn't see anything anti-Semitic in that. They're just words. The author didn't intend to have a mean tone." Mr. Touvier also said he was 'very shocked" when the chief of

the Vichy regime's militia, Joseph Darnand, swore allegiance to Ger-According to the charges, Mr. Touvier handed over the seven Jew-

ish hostages following the death of Philippe Henriot, propaganda minister of the Vichy regime that governed occupied France. The hostages were taken to a

village cemetery, lined up against a wall and shot. Mr. Touvier worked closely with

a local Gestapo chief, Klaus Barbie, who died in a French prison after being convicted of crimes against humanity in 1987. After the war, Mr. Touvier was

protected and financially support-ed by elements of the Roman Catholic Church. At the behest of church officials, President Georges Pompidou pardoned Mr. Touvier

He surfaced briefly after the pardon, but went underground again when outraged Resistance groups and Jewish survivors came forward with evidence to bring new charges. He was arrested in 1989 at a priory

# **4 ANC Officials** Are Among 34 Killed in Natal

Reuters
DURBAN, South Africa — At least 34 people, including four African National Congress officials, were killed in Natal Province during the weekend, the police and the ANC said on Monday.

The police said gunmen shot and killed four ANC officials at Ndaleni black township, near Richmond in the Natal Midlands on Sunday aftemoon.

Nearly 15,000 people have died in political violence in the past four years of apartheid reform, at least half of them in Natal, which is the power base of the Inkatha Freedom Party leader, Chief Mangosuthu Buthelezi, who is refusing to take part in South Africa's first all-race elections in April.

Meanwhile, a fire that prisoners demanding the vote in the upcoming elections appar-ently set in their own cell killed 21 inmates, officials said Monday. A prison spokesman said the fire, at Queenstown, in Eastern Cape, was part of a mass action by the South Afri-can Prisoners' Organization for Human Rights to secure the vote for prisoners in April 26-28 polls.

# WORLD BRIEFS

# Plays Down Racism on Rise in France, Panel Says

PARIS (Reuters) - An official human rights commission voiced concern Monday that the French were becoming more racist, and it condemned tough new immigration laws as a retrograde step in efforts to

safeguard basic rights.
Paul Bouchet, president of the National Consultative Commission said that there was less racist violence in France than in neighboring countries. But he added: "What is worrying is that the racist virus is continuing to spread in people's minds. Racist statements and behavior

are becoming commonplace."

Mr. Bouchet said North Africans were the main victims and that there will bouchet said morth Airicans were the main victims and that there were signs of growing racism toward people from sub-Saharan Africa. According to an opinion poll for the commission, two out of five French people concede that they are "rather" or "a little" racist. Twenty-seven percent acknowledge having made racist statements, or having a racist outlook, "often" or "sometimes."

#### Pakistan Shuts Consulate in Bombav

BOMBAY (Reuters) - Pakistan and India, locked in confrontation over Kashmir, blamed each other on Monday over Pakistan's closing of

its consulate in Bombay, India's commercial capital.

"We consider it unfortunate," said the Indian minister of state for external affairs, Salman Khurshid. "It is designed to create an atmo-

sphere that is not conducive to talks."

The Pakistani consul-general, Shahryar Rashed, called the closing "a step backwards" and said the decision was made after a leading hotel refused to hold Pakistan Day celebrations on March 23 on its premises, Mr. Rashed said he had searched without success or help from the Indian government for 19 months to find a suitable place for a permanent consulate, which has been operating from a rented office since August 1992. Asked if Pakistan would shut down the Indian consulate in Karachi, Mr. Rashed said: "We have not taken the next logical step yet."

#### Clash Raises 2-Day Egypt Toll to 15 ASSYUT, Egypt (Renters) — Egyptian security forces hunting gun-men who ambushed a police vehicle in southern Egypt shot and killed six

Muslim militants in a dawn raid Monday, security sources said. Two policemen, including a senior commander, were killed in the raid, taking the death toll in violence between militants and security forces in two days to 15. The security sources said the shooting occurred near the town of Abu Tig, 345 kilometers (215 miles) south of Cairo.

They said hundreds of police swept the area after gunmen ambushed a police vehicle on Sunday in a nearby town, killing five policemen and injuring six people. Also Sunday, police found two bodies in a field in the area where the police had earlier clashed with militants.

#### Thatcher Faints Briefly During Talk SANTIAGO (AP) - Former Prime Minister Margaret Thatcher of

Britain fainted briefly Monday and struck her face against a microphone while delivering a speech before hundreds of Chilean businessmen. She did not fall and was not reported hurt in the incident.

Mrs. Thatcher, 68, was nearing the end of a 10-page speech at a hotel luncheon in her honor when she suddenly stopped, remaining silent for a few seconds. Her face then fell onto the microphone, and her husband, Sir Denis Thatcher, and two businessmen sitting nearby rushed to help her. She recovered quickly, however, and returned to the microphone to apologize for what had happened. She then left for her room at a Santiago hotel, where she was reported resting a couple of hours after the incident. Earlier, she met with President Eduardo Frei

#### U.S. Sweetens the Pot for Ukraine

MOSCOW (AFP) — The United States is adding \$50 million to a \$135 million allocation for Ukraine's program to get rid of nuclear weapons, visiting Defense Secretary William J. Perry said here Monday, Interfax

Mr. Perry signed an agreement with his Ukrainian conterpart, Vitali Redetski, for the added funds, saying cooperation between the two sides had great strategic importance, Interfax said. Mr. Perry is expected to sign further aid agreements totaling \$100 million during his stay. In Washington at the start of the month, President Leonid M. Kravchuk won pledges almost doubling American aid this year to \$700 million.

Under an agreement with Russia and the United States signed in January, Ukraine is to scrap its entire nuclear arsenal, the third largest in the world, sending the warheads to Russia to be dismantled.

#### For the Record

Gunmen killed two people in an Algiers newspaper office and wounded three on Monday. More than a dozen journalists have been killed in recent months by Islamic militants. The attack on Hebdo Libere, a weekly, was the first on the offices of a publication. Security forces said three men armed with automatic rifles carried it out.

An Aviaco airlines DC-9 broke its front landing gear as it hit the runway in heavy fog Monday and skidded 600 meters on its belly in Vigo, Spain. At least 12 of the 110 passengers suffered minor injuries, authorities in the northwestern city said.

A Sicilian hijacker claiming to have a grenade held 160 people hostage aboard a plane at Rome's Fiumicino airport for three hours Monday before giving up, officials said. Ginseppe Cizio, 67, took over the the DC-9 belonging to the Italian airline Meridiana. He is from Trapani in western Sicily and has a criminal record and psychological problems, the

# TRAVEL UPDATE

# **Tourists Find Britain a Better Value**

LONDON (Reuters) - Foreign tourists found Britain's public transport, shopping and restaurants a better value last year than they did the year before, a British Tourist Authority survey said Monday. It said 55 percent of overseas visitors thought London's public transport system was good value in 1993 compared with 50 percent in 1992. The pound's value declined by about a fifth against most foreign

World

currencies in September 1992, At least 47 percent thought shopping was good value, up from 35 percent the year before, and 42 percent considered British restaurants and cafes well-priced, compared with 28 percent in 1992. Approval rates

for London hotel charges were still low, but rose from 12 to 17 percent. Last year a record 19.3 million overseas visitors spent £9.1 billion (\$13.6) billion) in Britain. The restored Michelangelo ceiling of the Sistine Chapel at the Vatican was opened to the public in 1989 after more than two decades of study and work. Since then his other great Sistine Chapel fresco, "The Last Judgment" has been concealed behind a high scaffold. Now, at an Easter

week Mass to be celebrated by the Pope, it too, will reappear. (NYT) Areas of the world considered the most dangerous for air travel have been listed by the International Airline Passengers Association. They are China, South Korea and India; all countries in Central Africa; all republics of the former Soviet Union; and South America, specifically

Hights through the Andes, and trips to or within Colombia. The organiza-tion said flights in those regions should be avoided, except with the large U.S. airlines and major foreign carriers. KLM Royal Dutch Airlines cut fares to South Africa and Jordan on

Monday in what a KLM spokesman said was a response to similar reductions by South African Airways. The new round-trip fare from Amsterdam to Johannesburg and Cape Town is 1,780 guilders (\$932) and to Jordan, 1,175 guilders.

Recreational dives may be allowed at the site of the Civil War ironclad Monitor off the North Carolina coast. The National Oceanic and Atmospheric Administration said it had decided to look for a company to manage dives at the Monitor National Marine Sanctuary. The wreck of the coast of the the ship was found in 1973 at a depth of 230 feet.

# Kremlin Will Probe **Rumors of Coup Plot**

By Fred Hiatt

Washington Post Service
MOSCOW — Russia's top law enforcement officer said Monday that he would investigate the coup rumors now swirling through polit-ical Moscow and, if they are unfounded, might sue for libel the

newspaper that published them.

An unsigned but extremely detailed scenario for a palace coup was published Friday in the Obshchaya Gazeta and has since been widely discussed on television and in the halls of parliament.

Alexei Ilyushenko, recently appointed acting prosecutor-general by President Boris N. Yeltsin, said he would use his own officers as well as the Interior Ministry and the Federal Counterintelligence Service to investigate the report, his spokesman said.

Few here believe that the scenario, which names several Yeltsin supporters among the supposed culprits, is exactly what it purports to be. But that has not stopped Moscow politicians, jittery after having weathered two coup attempts in less than three years, from speculating on who might benefit from circulating such a doc-ument — and who might be plotting for power.

Reformers said Mr. Yeltsin's hard-line opponents were behind the rumors about Mr. Yeltsin's illhealth or political peril, because they allegedly hope to destabilize society. The hard-liners in turn accused reformers of preparing a coup in revenge for their loss in last December's parliamentary elec-

The jitters were energized when Mr. Yeltsin left town last week for a two-week vacation in Sochi, in the relatively warm southern region of Russia. The rumor meter spiked again when Defense Minister Pavel S. Grachev delayed a trip out of

town last week. And the numor meter even higher Monday when Prime Minister Viktor S. Chernomyrdin revised his schedule at the last minute to fly to Sochi, where officials said he and Mr. Yeltsin conferred on a range of issues.

If political Moscow was feverish, many Russian voters this weekend showed themselves increasingly apathetic and disillusioned with democratic politics as a means to improve their situation. In dozens of local districts across the country, elections to city or regional councils failed to attract the necessary 25 percent of voters to become val-

The local elections had been scheduled last fall, after Mr. Yeltsin urged the dissolution of Communist-era "soviets," or councils, across Russia to pave the way for a new democratic era. But in St. Petersburg on Monday, Mayor Anatoli A. Sobchak had to order the polls to stay open an extra day after only 21 percent of voters turned out Sunday. He said the city could not afford to reschedule the election, but could not live without local legislative bodies.

In dozens of other cities, turnout also fell short in many voting districts. The head of Archangelsk region called the local election there "a total failure."

is ask the butler...

There terrice is anything you want it to be

# PAN-EUROPEAN NUCLEAR PROTEST — Policemen battling protesters in Brokdorf, Germany, who were trying Monday to block a convoy of trucks carrying nuclear waste materials from a German reactor to the reprocessing plant in Sellafield, England.

# U.S. to Focus More on Ex-Soviet Republics

By Steven Greenhouse New York Times Service

WASHINGTON -Stung by months of criticism that it has unduly favored Russia, the Clinton administration has altered its policies, adopting a tougher tone toward Russia and

focusing more on other former Soviet republics.

Although the administration seems too proud to admit that any new approach was needed, there is an unmistakable change in tone toward a newly nationalist Russia and far more emphasis on bolstering the security and economies of the other republics.

The recent visits here by the presidents of Ukraine, Georgia and Kazakhstan have demonstrated this new focus and appear, at least in part, to be a response to the many criticisms from Congress and foreign policy experts that the administration has maintained a Russia-

"The administration is reeling from the criticisms of its Russia policy," said Morton I. Abramowitz, director of the Carnegie Endowment for International Peace. "I think we're seeing a certain amount of rethinking and repo-

Evidence of that can be seen in President Bill Clinton's decision to double economic aid to Ukraine and Kazakhstan and his call for an international peacekeeping force to help end Georgia's civil war -a move that is widely seen as an effort to check Russia's muscle-flexing beyond its borders.

Officials say their stepped-up efforts to help the economies of Ukraine and other non-Russian republics are another way to ensure their continued independence.

"We feel economic security is inextricably related to political and military security," Dep-uty Secretary of State Strobe Talbott said in an interview. "If these countries undergo a profound and protracted economic crisis, it will undermine their viability as states. Ukraine is a particularly vivid example of that."

Reluctant to give an inch to critics who have attacked their policy, Mr. Talbott and other administration officials deny that the visits of

the leaders presage a change.
But at the same time, the administration is proud to point out that it is spending more energy and money than before on the 14 non-

Officials are also happy to note that while

#### **NEWS ANALYSIS**

Russia received more than half the aid to the former Soviet Union over the last two years, next year more than half will go to other repub-

After the surprising surge of nationalist forces in Russia's elections in December, Moscow's foreign policy statements have grown more shrill, and in response Washington has shown a new toughness.

While there is plenty of talk about the need for Russian cooperation to bring peace in the Middle East and Bosnia, the administration's warnings about Russia's nationalist ambitions are more frequent and firmer than before.

In a speech last week, Defense Secretary William J. Perry said the United States must help Russia consolidate its transition to democracy, but cautioned that "it is possible that Russia will emerge from the turbulence as an authoritarian, militaristic, imperialistic nation hostile to the West."

Ms. Perry's recommendation - one that should please those who say the administration has pampered Russia — was that Pentagon must keep up its defenses. He is traveling this week in Russia, Kazakhstan, Ukraine and Be-

When President Leonid M. Kravchuk of Ukraine visited two weeks ago, Mr. Clinton emphasized U.S. support for the "territorial integrity" of Ukraine at a time when Russian nationalists are clamoring that Crimea belongs to them and not Ukraine. Perhaps because they do not want to offend

their friend, President Boris N. Yeltsin of Russia, or perhaps because they do not want to acknowledge that there may be a need for any midcourse corrections in policy, administration officials are reluctant to discuss their approach in terms of a tougher stance.

Mr. Talbott said the administration had al-

ways stressed maintaining the territorial integrity of the former republics. Nonetheless, many foreign policy experts say the administration's frequent recent assertions of that view regarding Ukraine, Georgia and the Baltic republics signal such a change in the face of increased Russian nationalism.

I'm not going to start applauding the adminis-tration yet," said Senator Mitch McConnell, Republican of Kentucky, the senior Republican on the Senate Appropriations subcommittee on foreign operations. He has threatened to vote against new Rus-

sian aid because he says the administration has improperly favored Moscow. "I'm still not con-vinced we've seen a real change in policy," he The way Mr. Talbott explained it, the admin-

istration has naturally paid more attention to Russia than to other republics because it is the biggest republic and because the others would be greatly affected if Russia's democratization and economic reforms fail.

He described the warmer relations with Ukraine and Kazakhstan as a response to their decisions to eliminate nuclear weapons and get serious about economic reforms.

# Somali Accord Imminent, UN Says

NAIROBI - Rival Somali factions are expected to announce on Tuesday an agreement for a ceasefire and for choosing the next leaders of the country, a United Na-tions official said Monday.

An announcement by Somalia's principal warlords, Mohammed Ali Mahdi and Mohammed Farrah Ai-

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did, was abruptly postponed three times over two days. But a UN spokesman said Mon-

day afternoon that he was relatively confident that the pair, along with 13 other faction leaders, would announce an agreement on Tuesday.

leaders and their entourages will present a new declaration on the political future of the country: a cease-fire and peaceful reconcilia-tion between themselves," the UN spokesman, George Bennett, said t a news conference.

"it's a major step forward for Somalia," he said. "They have cer-tainly been able to put past differ-ences behind them and look to the

have been meeting in Nairobi for a forces out.

Nations Operation in Somalia.

If they fail to reach agreement on Tuesday, Mr. Bennett said, "I don't think the UN is going to fund their stay for any longer in Nairobi." The international community

has feared that Somalia will revert "We expect that the 15 faction to chaos after most Western forces withdraw in the coming days. Gen-eral Aidid and Mr. Ali Mahdi previously have announced separate plans to set up a transitional gov-

ernment after foreign troops leave. The last 330 Italian troops are scheduled to leave Mogadishu by ship on Wednesday. The Americans will complete their withdrawal on Friday. Germany, France, Beluture."
gium and a number of other coun-fraction leaders and their aides tries have already pulled their

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#### **Kurd Supporter** Slain in Nicosia The Associated Press

NICOSIA — A prominent cam-paigner for Kurdish independence in eastern Turkey was shot and killed outside his home here, the police said Monday.

Theophilos Georghiades, 37, a member of the Greek Cypriot Kurdish Solidarity Committee, was slain Sunday night, the police an-Witnesses reported seeing a motorcycle with two people on it flee

the scene, the police said. No arresis were reported. A Cyprus government spokes-man blamed Turkish secret services

for the slaying.
Mr. Georghiades worked for the government's Press Information Office and specialized in Turkish and Kurdish affairs,

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#### Clinton Testy on Whitewater

DEERFIELD BEACH, Florida - President Bill Clinton reacted angrily Monday to questions about the Whitewater affair, telling reporters that it was "a bunch of bull" and that they should leave the investigating to the prosecutors handling the

"My faith that the truth will win out has been sorely tested in the last few weeks, but it's still there," the president said. "Why don't you guys just let the special counsel do his job?"

Mr. Clinton was referring to Robert W. Fiske Ir., the federal counsel investigating 1980s business dealings of the Clintons and and their ties to a failed savings and loan bank.

A former Arkansas municipal court judge, David Hale, has said that Mr. Clinton, then the governor, pressured him to make a loan that indirectly would have helped Whitewater Development Co., the now-defunct real estate venture at the center of the investigation.

The White House has denied that Mr. Clinton pressured Mr. Hale, and officials have suggested Mr. Hale was bargaining with prosecutors to try to

Court papers revealed Monday that Mr. Hale has agreed to plead guilty to fraud charges and would be sentenced Tuesday. (Reuters)

#### Abortion Bill Loses Impetus

WASHINGTON - Once promoted by abortion rights advocates as a legislative priority, a bill in Congress that would ban most state restrictions on abortion is virtually dead, according to proponents of the measure.

While some abortion rights activists hope to revive the Freedom of Choice Act in a future congressional session, they acknowledge that their movement is now focused on ensuring that the health package Congress passes includes pregnancy-related services.

"For all intents and purposes, it is dead because we've gone on to more pressing priorities," Pamela J. Maraldo, president of the Planned Parenthood Federation of America, said of the Freedom of

Choice Act. "As a practical matter, when prochoice groups meet, we don't even discuss it."

Proponents have argued that the Freedom of Choice Act would codify Roe v. Wade, the 1973 Supreme Court ruling that legalized abortions, and prevent states from further chipping away at a woman's right to terminate her pregnancy. Ms. Maraldo and others say that with a supportive administration and prospects of a friendlier Supreme Court, abortion rights advocates are concentrating less on protecting a woman's right to an abortion and more on expanding access to reproductive health services.

Abortion opponents have argued that the Freedom of Choice Act would wipe out popular state laws, such as waiting periods and parental notification requirements, that regulate abortion within the boundaries of the Roe decision.

#### **President Pans Health Foes**

DEERFIELD BEACH, Florida - President Bill Clinton on Monday accused right-wing Republicans of guiding the special interests who oppose his health reform plan.

"The opponents of our plan are trying to confuse the issue by making it seem complicated," Mr. Clinton said. "They ignore the fact that the system we have today is the most complicated on the face of the earth."

The president insisted that the principles of his sweeping plan were simple and that they would guarantee private health insurance to every American, outlaw insurance abuses, preserve and extend Medicare benefits for older Americans and offer more people a choice of health coverage.

"What are the special interests saying?" he asked. "Led by the extreme right of the Republican Party, they are warning of a grim future." (Reuters)

#### Quote/Unquote

Robert O. Boorstin, a White House adviser, on polls that suggest people are confused about the Clinton health plan: "People really like the president's health care plan, but they don't know what's



The Clintons arriving in Miami to promote their health plan.

# Arkansas Can't Figure It Out Just When Its Image Had Started to Shine

By Peter Applebome

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Yes York Times Service
LITTLE ROCK, Arkansas — Just as Arkansas basked in the reflected glory of Bill Clinton's election as president 16 months ago, it is stewing and reeling to the same degree today because of the unfolding story of Whitewater and the travails of some of Mr. Clinton's home-grown appointees.

Whether in terms of lives shartered or turned upside down, or of the state's image and reputation, events in Washington are turning this capital city into an aggrieved edgy mirror image of the giddy place that savored the spoilight during Mr. Clinton's campaign and

Many people here contend that much of the news reporting of Whitewater reflects a lack of understanding of the politics and manners of a small state with a tiny cadre of major players who all know each other, if only because there are so few of them.

Whatever the case, the joy and hope that saw tens of thousands of people from this southern state stream into Little Rock for Mr. Clinton's victory celebration on Nov. 4, 1992, and then saw dozens of Arkansans head triumphantly off to big-time jobs in Washington, has been replaced by a far more somber mood.

"It's gone from a feeling of excitement and optimism to a feeling of bewilderment, amazement and consternation," said Jeff Rosenzweig, a local lawyer.

tons have faced unrelenting scruti- Carville, there is now a permanent

ny over their finances. Last July, presence of grim-faced lawyers Vincent W. Foster Jr., the deputy White House counsel who was not only Hillary Rodham Clinton's law partner but also one of the most in the Ozark mountain real estate admired lawyers in Little Rock, development known as the killed himself.

Last week, Webster L. Hubbell, the No. 3 person at the Justice Department who had been a mayor of Little Rock and a state Supreme Court justice, resigned to deal with accusations that he overbilled the who was going to get what job, there are dark rumors about who Rose Law Firm where he, Mrs. Clinton and Mr. Foster were part-

"Some of what's happened has been sad beyond belief, and people are getting hesitant to comment publicly because no one knows what to expect next," Mr. Rosenz-No state in recent memory has-

ners.

had as much of its soul invested in a presidency as Arkansas has. Partly, that is a reflection of Mr. Clinton's 12 years as governor, which left him with personal relationships with virtually everyone of importance and many ordinary citizens. And partly, it reflects the hope that Mr. Clinton's election would erase the old Dogpatch stereotypes of a state that George Bush derided in the presidential campaign as "the lowest of the low."

Unlike Karl Marx's axiom that history repeats itself, occurring initially as tragedy, the second time as farce. Little Rock seems to be doing the reverse. instead of the youthful army of

campaign staff members and off-In the last few months, the Clinbeat political celebrities like James

may be the next to come home. "It's horrible, it's horrible," said one leading businessman, who would only speak anonymously. Every time I think we've hit a low point from which we might begin to rebound, it gets worse. And I think there will be more. You've got East Coast people people coming with a preconceived notion that they won't let go of. It's this century's version of carpetbagging.

working with Robert B. Fiske Jr.,

the special prosecutor appointed to

look into the Clintons' investment

Whitewater Development Co.

Reporters, once welcomed for

putting Little Rock on the map, are

now viewed as buzzards inexplica-

bly picking at ancient financial

Instead of the barroom gossip of



# White House Political Strategists See California Statehouse as a Must

By R.W. Apple Jr. New York Times Service

SACRAMENTO, California — The most important electoral battle of 1994, they say with metronomic by many here, rests upon the conregularity at the White House, is

"From President Clinton's point of view," agreed Bob Mulholland presidential bid. of the California Democratic Party. For all its received

**Away From Politics** 

• The Supreme Court allowed the seizure by the

government of more than \$10 million that allegedly

represented drug proceeds laundered through vari-

ous bank accounts by the Cali, Colombia, drug

ring, which sends more than three tons of cocaine a

• The Supreme Court has asked the Justice De-

partment for the government's view on whether a

company's requirement that employees speak only

English at work violates the federal civil rights law.

A San Francisco company with 33 employees, 31 of whom are bilingual in Spanish, adopted the

shoot ourselves in the foot and lose this race - and we well may - the Republicans could have 54 electoral votes in their hands." That judgment, which is shared

viction that Governor Pete Wilson, the contest for the governorship of a Republican, has a solid chance to defy the odds, win re-election this fall and set himself up for a 1996

For all its recent economic tra-

history of the republic.

than 50 House seats. It has grown so much faster during the last three decades than the big states of the settled, Californians will now vote East and Midwest that it can now in a presidential primary in March, deliver, by itself, one-fifth of the when it is usually not. electoral votes needed for victory.

Winning California "is like hit-ting a \$15 million lottery." says Stuart Spencer, a veteran Republi-"it's even more important than vails and natural disasters, this vast can strategist. "None of the rest is keeping control of the Senate. If we state has the kind of raw political worth more than \$2 or \$3 million."

policy after complaints that racist comments had

been made about the two non-Spanish-speaking

• The killer of two women in 1969, who was pa-

roled last year despite the efforts of his victims' relatives, is back behind bars in Engene. Oregon.

accused of sexually abusing a 4-year-old girl. Judge Loren L. Sawyer, who had sentenced him, said of

there was no indication that he was a pedophile."

• Konrad Kalejs, 80, an accused officer in a Nazi execution squad in Latvia during World War II,

lost a Supreme Court appeal challenging his deportation from the United States to Australia.

d. 49: "From what I know of

workers, a black and an Asiatic.

ieli Ubtems

It is the first state ever with more gives the state even more political leverage. Instead of voting in June, when the race is usually all but

> And the Republicans, who will presumably have the more interesting primary contest two years from now, intend to keep their winnertake-all rule, which guarantees the victor a huge block of delegates.

Mr. Wilson has mounted an impressive comeback after a disastrous start marked by tax increases and fumbles on important issues. including homosexual rights. His most likely challenger, the

state treasurer. Kathleen Brown. has raised a \$5 million war chest but has failed, so far, to project a clear picture of herself. She is still known mainly as the daughter of one former governor of California and the sister of another. Mr. Clinton has taken California

more seriously as a political base than any modern Democratic president, traveling here nine times since he took office, sending top aides when he could not come himself and funneling as much money

The presidential calendar has into the state as possible, given the forts have given the Los Angeles that crisis, though 57 percent de just been changed in a way that straitened condition of the federal economy a temporary post-earth-scribed his response to the state.

He won the state with only 46 percent of the vote in 1992, and the 21 percent that went to Ross Perot may well be up for grabs by the major parties in 1996. Mr. Clinton's task is complicated

by the state's anxieties, born of floods, fires and earthquakes, riots and bank failures and base closings. Californians have become a cluster of Cassandras, fretting in

While other local industries are flourishing, including biotech, entertainment and computer software, and while reconstruction efeconomy a temporary post-earth-quake lift, California has been dev-overall problems as either poor or astated by base closings and the only fair.

Shrinkage in military procurement. "Clinton is in far better shape

The total job loss has been vari- here in 1994 than Bush was in 1992, ously estimated at 500,000 to even with all the base closings," 800,000, and some economists have said the pollster, Mervin Field. suggested that 100,000 more may

"People give him credit for trying." Still, Tom Epstein, the White what has helped the president most, politicians of both parties agree, has been his prompt assurances of help and his personal.

after the earthquake in January.

Statewide, according to the Field

nia economy doesn't come back strong in the next two years, then nia economy doesn't come back poll, more than two-thirds of voters all the good deeds in the world say Mr. Clinton responded well to aren't very likely to save us."

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Ira J. and Audrey B. Kaufman on their 110-foot yucht, Gray Mist 11, moored at Fisher Island. Formerly Chairman and Chief Executive Officer of Exchange National Bank of Chicago, Mr. Kaufman is Chairman Emerisus of Rodman & Renshaw Inc.

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# Teaching Hospitals Make Their Point

# President, Heeding Doctors, **Promises Increased Funding**

By Adam Clymer
New York Times Service

WASHINGTON - Heeding complaints from several major medical schools and teaching hos-pitals that their precarious finan-cial futures would become worse under the proposed health care overhaul, President Bill Clinton has agreed to support revisions that would provide more money for

At a meeting last week in Boston, Mr. Clinton also pleased represen-tatives from academic health centers by promising a slower pace of

they were impressed with his un-derstanding of the predicament they face: that they are already losing patients to other institutions that can offer lower prices because they do not have the extra costs of teaching and research and that those losses threaten the future of medical education.

More federal money would allow them to cut their rates and compete for business, they said.
Politics was clearly an element.

too. Seeking expert witnesses who can help persuade the public that his plan would mean better health care for the nation, the president urged the doctors to voice their

No deal has been struck. In fact, few doctors or administrators in the academic world, except those who met with Mr. Clinton, are aware of the president's position and the backing it has in crucial

But Mr. Clinton got the first installment on the support he sought when the meeting ended and Dr. Mitchell Rabkin, head of Boston's Beth Israel Hospital and the group's spokesman, said: "The is is: The president's bill is

Since Mr. Clinton's health plan was first proposed last September, the academic institutions had complained that provisions intended to correct academic medicine's difficulties were inadequate. They also said his goal of producing more

# U.K. Promises Refugee Aid

LONDON -- Britain on Monday pledged to provide \$3.35 million in aid to Armenia, Azerbaijan and Georgia to help more than 1.25 primary care physicians and fewer specialists was too rigid. The medical leaders have two

principal spokesmen in the Senate, and Mr. Clinton has met with both and made his shift clear. In Boston, he met not only with the doctors but also with Edward M. Kennedy. the Massachusetts Democrat who heads the Senate Labor and Human Resources Committee. In Washington on Thursday, he met with Daniel Patrick Moynihan of New York, chairman of the Senate Finance Committee.

Their panels are handling health egislation in the Senate. The chairmen said that their committees, regardless of whatever else was in their health care bills, would write legislation to protect the future of medical research, medical schools and teaching hospitals. "We are in the great age of dis-

covery in medical science, and it is taking place here in the United States." Senator Moynihan said. That's a responsibility to humankind, not just our own citizens, and

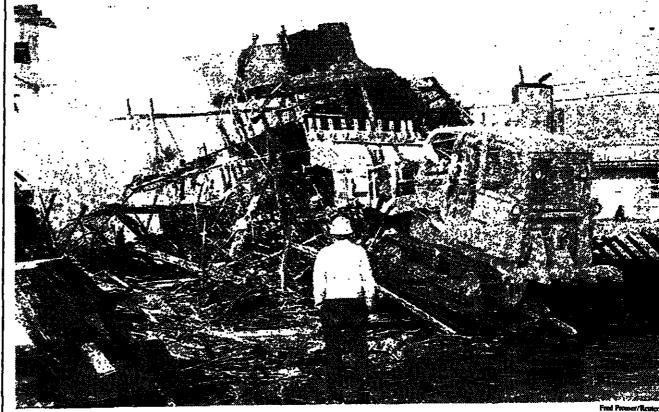
There is no precise dollar com-mitment yet. But Dr. Philip R. Lee, assistant secretary for health in the Department of Health and Human Services, said he expected the administration to support more than the \$9.8 billion a year that Mr. Clinton first offered for academic

Without predicting what that amount would finally be, Dr. Lee cited arguments presented by Dr. Michael Johns, dean of the medical school at Johns Hopkins University in Baltimore, who has said that an additional \$9 billion a year would be needed to keep the academic centers "on a level playing

In simple terms, the problem faced by the academic centers is that teaching new doctors and conducting research is an expensive and inefficient way to run a hospital which forces the institutions to charge high rates.

tients away from the academic cen-

Leaders of academic centers argue that the federal government should recognize their importance to the nation both as training grounds for doctors and as the institutions best able to deal with the rarest and most difficult medical



A 5.3-POINT REPLAY — A buildozer leveling rubble Monday in Van Nuys, California, after an earthquake registering 5.3 on the Richter scale hit the Los Angeles area. The aftershock to the Jan. 17 quake set several fires and cracked freeways, but highways and schools were open Monday. Two people were hurt, and rehearsals for the Academy Awards ceremony were briefly interrupted.

# Capital Blues: Red Ink, White Knuckles

By Karen De Witt

New York Times Service
WASHINGTON — This city has such huge financial problems that it may be forced to borrow money from the federal government to pay its bills, officials say. Such a move would be a blow to efforts by the District of Columbia to win more independence from Congress.

"The situation is that they have really had unbalanced budgets for the last several years," said Philip M. Dearborn, a financial research director of the U.S. Advisory Commission on Intergovernmental Relations. "They've used up all their cash and are in a very difficult cash

Already, the district gets about one-fifth of its \$3.4 billion budget from the government; the rest is supposed to come from taxes and fees. To avoid a bailout, which many politicians here would see as undermining the district's efforts to gain more control over its own affairs, Mayor Sharon Prart Kelly has proposed postponing a required payment of \$230 million to the city's pension fund this year. That would allow the district to end the year with \$75 million, but it would also face challenges in the courts and in Congress and seemed unlikely to

Cutting spending enough to find the pension money is virtually impossible, officials say.

The District of Columbia, though governed by a mayor and a 13-member City Council, is a unique entity whose political decisions, including its budget, can be vetoed by Congress. The district does not have the power that the states and some cities do to raise money, but it still must provide the kind of services that states do
— welfare, Medicaid, prisons and courts.

The district is also prohibited by Congress from taxing commuters to recoup the cost of public services used by suburban residents who work in the city. Moreover, half the real estate in the district is exempt from taxation because it is used by the government, embassies of

nonprofit institutions.

The city has faced financial problems since it won limited political independence in 1974.

During Mayor Marion S. Barry's 12 years in office, the city borrowed \$150 million to \$300 million a year from private lenders. Mayor Kelly eliminated that practice with a \$336 million bond sale in 1991, at the end of her first year in office. That erased the city's accumulated deficit and put the district in its best financial condition since limited home rule began

experts say.

But over the last three years, the city's budget has been balanced only through a series of accounting maneuvers. Now the mayor's office. projects that if nothing is done the city's annual deficit will increase to almost \$800 million by

# to hold down medical costs, insurance companies have placed limits on what they will pay, driving particular amount from the part

**BOOKS** 

SAN SALVADOR --- The governing rightist ARENA party led had 49.62 percent of the vote. El Salvador's elections Monday, His archrival Rubén Zan but its presidential candidate was short of the 50 percent of votes needed for a first-round victory,

ARENA, Armando Calderón Sol, His archrival Ruben Zamora,

whose leftist coalition is headed by former guerrillas of the Farabundo Marti National Liberation Front, official results showed.

had 26.67 percent, the Supreme But his share slipped steadily overwight 63.25 percent of votes counted, the candidate of the Nation Democrated candidate, Fidel areas where the Farabundo Marti toral irregularities.

tionalist Republican Alliance, or Chavez Mena trailed with 14.97 National Liberation Front had percent. A runoff is to be held with- most of its support throughout a

in a month.

Mr. Calderon Sol had claimed outright victory late Sunday when culmination of El Salvador's demoearly returns showed him with cratic transition after United Namore than 50 percent of the vote. tions peace accords ended the war

cursor) across the page (or screen) from left to right a couple of hun-

dred times a day is not the fodder

well has taught us, it is what authors say that makes for good literary bi-

ography.

It is what writers think that

makes them interesting: Nabokov in "Speak Memory" daydreaming

about the color of words; Hemm

way in "A Moveable Feast" con

templating the nature of rich worn-en; Edith Wharton in "A Backward

Glance" considering a writer's duty

"The History of the Ginger Man"

— at least until we get to legal wran-gles over the allegedly offensive nov-el — doesn't seem to have much of

the author's mind at work. Maybe it

is a case of modesty. Modesty is not

a virtue in literary autobiography

and the result for "The History of the Ginger Man" is that the minor

characters are more interesting than

the major ones — Girodias, for

example, who published the unex-purgated "Ginger Man" in Paris in 1955 (that version didn't make it to the United States until 1965).

The book's best story is the legal

# **NOVEMBER 1994**

10. Malaysia Sammit Meeting

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Herald MERATICHAL Eribune

#### THE HISTORY OF THE GINGER MAN

By J. P. Donleavy. 517 pages. \$32.50. Houghton Mifflin.

Reviewed by Robert Day

THE reader gets three books for the price of one in J. P. Donleavy's "The History of the Ginger Man." Tales of literary Dublin after World War II are intertwined with a loopy autobiography of Donleavy (called "Mike" by his friends) that is in turn bracketed by an impassioned account of the publishing of Donleavy's celebrated first novel, "The Ginger Man." The last story is worth the candle; the

other two: maybe. The original "Ginger Man," ublished by Maurice Girodias in 1955 in his Olympia Press Traveller's Companion series, featured Sebastian Dangerfield an American law student studying at Dub-lin's Trinity College. Sebastian was something of a brawler and a hedonist. He's the character who a reviewer in the Toronto Globe and Mail said gave "moral turpitude a new lease on life." Like his character. Donleavy was an expatriate; it was not until 1967 that he became

an Irish citizen. The problem with telling the tale of literary Dublin after World War II is that there was no there there. Beckett had left for Paris; Yeats and Synge and Shaw were all dead. Dublin circa 1946 is not Nabokov's

By Robert Byrne

V faced Artur Yusupov in the International Chess Federation

elimination matches. In Game 5, Anand's victory featured a new

That there is no rhyme or reason

to the naming of chess openings is shown by the Siesta Variation. Far

from sleepy, its key move, 5...15. is

the introduction to a tricky gambit.

trouble by continuing to develop with 7 O-O, as Anand did. But after

7...Bd3 8 Rel Be7, it does not pay for White to become greedy with 9

Re3?! e4 10 Nel because 10...Bg5 11 Nd3 Be3 12 Nb4 Bf2! 13 Kf2 Qb4 14 Kg1 Nb6 15 Qf1 Ng4 16 Qf4 Rf8 17 Qg3 Rf1! 18 Kf1 Nb2

19 Qh2 20 Resigns was the outcome of a Michel Adams-Jeroen Piket ne in Wijk-aan-Zee in 1991.

After 9 Bc2 Bc2 10 Qc2 Nf6 11

d4 O-O, the previously accepted line, 12 de Ne5 13 Ne5 de 14 Nd2

(14 Res? Ng4 15 Re2 Bc5 16 Be3 Qh4 17 h3 Ne3 18 fe Rae8 wins for

Black) yields White little. But Anand produced the inspiration of

closing the center and establishing a grip on the light squares with 12 d5!? The pawn was immune be-

Most players avoid that kind of

idea in a sharp variation.

TISWANATHAN ANAND

(Ilise Gersten, IHT) Berlin circa 1935 or Edith Wharton's Paris circa 1905. Donleavy is of course in Dublin (as a student at Trinity), as are a number of his friends who make their way into

The Ginger Man." Beyond this

largely student tribe, there is the

• The Reverend Jesse Jackson is reading "The Rape of a Privileged Class" by Ellis Cose.

This is must reading for anyone

who wants to understand the feel-

ings of African Americans today."

drunken, profane Irish writer Brendan Behan. At the end of 50 pages
Donleavy bolts the Dublin pubs for western Íreland. Who can blame him? Anthony Burgess once remarked that to live in Dublin as a writer was to talk away all your stories over pints of Guinness. You save the taxes, but saving the taxes on zip royalties is the kind of fiduciary policy that seems sound only to an in-his-cups Irishman. Donleavy - if not Behan -seemed to have figured this out. It

is after Donleavy moves to the rural village of Kilcoole that he begins serious work on "The Ginger Man."

Our author might be able to leave Dublin behind, but not Behan. The profligate Irishman shows up from time to time to scribble comments in the margins of Donleavy's burgeoning text. Behan isn't so much T.S. Eliot's Ezra Pound as Hemingway's Fitzgerald. There is more outrageous behavior than audacious literary advice. But then there are the Behan oaths: great strings of pro-famity going off like IRA bombs in the midst of manicured garden par-ties. How lovely it is to read about a time, not so long ago, when vulgar language and personal insults had the explosive power of rudeness instead of turning into the switch-blades of litigation.

Literary autobiography is a curious form. Authors as writers make little happen. Nevertheless, it is their writing that usually makes their lives worth writing about. The problem is

17 Ne4 Nc1 18 Nf8 Rf8 19 Rc1.

Also, 15...Nd5 16 Nf8 Rf8 17 Ne4 Qg4 18 Ng3 leaves Black the ex-change down for nothing. The result of 15...e3 16 Re3 Nd5

17 Nf8 Ne3 18 Qh7 Kf8 19 fe was

to put Anand a pawn ahead. More-over, after 19...Re8 20 e4 d5 21 Nb3! de 22 Be3!, threatening 23 Rf1 Bf6 24 Rf6! gf 25 Bh6, the Indian showed that he could switch

Anand's 24 Bd4 threatened 25

Bis Nis 26 Ris; there was no use defending by 26...Ki7 because 27 h3 Ne5 28 Nc5 Qd5 29 Ne4 would

speed the white attack. Yusupov.

having less than a minute on his clock and lacking a defense any-way, blundered with 24...Qc6 and

was struck by 25 Bc5! Since .Ki7 drops the knight to 26

powerfully to attack.

battle between Donleavy and Girodias over the publishing rights to "The Ginger Man," with one highlight being what Donleavy considered the initial betrayal of including the novel among the press's pornographic titles. "I had to do it to make money," the publisher ex-plained. "And of course, like anybody I like being rich."

The charm of "The History of the Ginger Man" lies in those

scenes that glow in your mind: Donleavy walking through Lon-don's Fulham neighborhood pounding the cover of his just-published novel and saying: "If it's the last thing I ever do, I will average this book." Or Girodias signing his letters to Donleavy "Toodle oo." Or Donleavy writing on the wrapper in which he sent the manuscript of "The Ginger Man" to Paris: "Manuscrit litteraire, sans valeur commerciale" (literary manuscript with no commercial value). In these moments the book springs to life with as much vigor as did Sebastian Dangerfield nearly 40 years ago.

Robert Day, the author of "The Last Cattle Drive" and "Speaking French in Kansas," wrote this for The Washington Post.

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### **CHESS**



Position after 24 . . . Qc6

cause 12...Nd5? 13 Qb3 costs Black

Rather than retreat with 12...Nb8 and let Anand assure him-self of a slight superiority with 13 Ng5 Qc8 14 c4 Nbd7 15 Nc6 Re8 16 Nc3 Nf8 18 Nf8 Bf8 19 Be3, Yusupov chose the aggressive 12...e4 13 Ng5 Ne5 14 Ne6 Qd7. He was undoubtedly hoping for 15 Nf8 Qg4! 16 Nd2 Nf3 17 Nf3 ef 18 g3 Qh3 followed by mate.

attacking chances with 15 Nd2!, one point being that 15...Nd3 would be defeated by 16 Re4! Ne4

But Anand cut down Yusupov's

هكذامن الأحبل

# earthquake registering 5.3 on to earthquare regree ing 22 on a acked freeways, but highways at remony were briefly intempted

# Knuckles

the city. Moreover, half the release istract is exempt from taxation based by the government, embases ity has faced financial problems

uted popular independence in h Mayor Marion S Barr's 12 May he city borrowed \$150 million to di a year from private lenders has iminated that practice with a tike and sale in 1991 at the end of late office That erased the an same at and put the district in its best dittern since imuted home rule be

the property of the property of ing maneurers. Now the majoristic that if no thing is done the crysman and in manager to a most \$500 miles)

# n El Salvado

National Liberation Frongs mass . . . . Appen unouse

Rouge casualties at more than 100 community of E. Salvadorsa; eratie francher Bier Camil Tone - produce and this ended they ed in the operation. マステレアン 公共的 外盤機 er, this have dusted widespreed The street writes many difficulties."

"We've captured ammunition stockpiles and they have split up," he said. (Reuters, AP) the control of the foreign and the control of the c **MONK:** British and American Essay main vier vicenty Vol IT North North To Bellin Thailand Scandal A Maraba Fas s train with a manufacture of take Phayom Kallayano. Phra Yantra, カラント・エー・ 10年 43, aroused controversy initially Bright Control of the for traveling abroad with large entourages of devotees, some of them women, staying in hotels instead of -- I all all all gardings State of the Land of the Buddhist temples and possessing two credit cards. He also often 2 - 1 en 1 eeu 1 200 25 walks on pieces of white cloth, The said of the said like

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Production of the second of th

due emphasis on the individual ather than on religious teachings.

Some Buddhists have been tension, said Mr. Clinton, who rather than on religious teachings. jarred by published photos of Phra added that the North Koreans Yantra wearing Mongolian clothing during a visit to Mongolia and erating with the international comsitting on the back of a cow in munity. The president said that he Thailand. Buddhist monks must held out "some hope" that North not wear anything but their saffron Korea would allow full inspection robes, especially not clothing made of its nuclear plants. f fur or animal skin, and are forbidden to ride on animals.

which followers lay on the ground

for him to step on to bring them

good luck, a practice that some

Buddhists believe leads to an un-

Continued from Page 1

that he violated his vow of celibacy in South Korea, but that "we'll be with at least four women, including looking at that situation day in and a Thai who allegedly bore him a daughter in Belgrade six years ago. Phra Yantra, who has been a monk for 20 years, denies the charges.

A Cambodian-born Buddhist nun, who is now a U.S. citizen, has said that Phra Yantra seduced her on the deck of a Scandinavian cruise ship last year after telling her that they had been married in a previous life. A German female devotee has written that he made improper sexual advances, and a Danish harpist who performed for him at a monastery in Copenhagen has said that they twice had sex in

Three investigative committees, including one from the Education Ministry's Religious Affairs Department, have ruled that there is insufficient evidence of sexual mis-

Last month, as the controversy intensified, Phra Yantra checked into a hospital after apparently suffering a stroke that temporarily paratyzed his left side. He left the hospital March 10 to convalesce at a Buddhist temple.

Since then, other monks have spoken publicly about the previously taboo subject of sexual urges. Some complained of being bom-

barded constantly by prurient influences in Thailand's increasingly materialistic society.

"If we lower our eyes, we cannot see the cluttered way," a young monk said. "If we look up, there it is — the advertisement for women's underpants."

# Cambodia Japan Backs China on Rights Builds on Western Ideas Have Limits, Hosokawa Told Li A Victory

Compiled by Our Staff From Dispatches TOKYO - In a slap at Washington's policy on China, Prime Minister Morihiro Hosokawa of Japan said Monday that he had told his Chinese counterpart, Li Peng, that the Western concept of human rights should not be blindly applied to all nations.

"I told him that it is not proper

Fresh Troops Sent

To Captured Base

Compiled by Our Staff From Dispatches

The Cambodian Army poured re-

inforcements into the former

Khmer Rouge headquarters of Pai-

lin on Monday, and a government

commander said the back of the

guerrilla resistance had largely

been broken for now.

"I think the Khmer Rouge have

just tried to escape wherever they

can, but they don't know where to

deputy chief of the general staff.

A Thai military spokesman said in Bangkok that 25,000 Cambodi-

ans had sought refuge in Thailand

to escape the fighting around Pai-lin, and that they would be allowed

to stay on humanitarian grounds

until the situation returned to nor-

Thai military officers said those

fleeing into Chanthaburi Province included Thais who had been log-ging or mining for gems in the Pai-lin area under contracts that pro-

vide large revenues for the Khmer

Rouge.
But the refugees also included
But the refugees soldiers.

families of Khmer Rouge soldiers. It was the first significant refugee exodus into Thailand since the United Nations finished repatriating 360,000 Cambodians in April 1993.

A Renters correspondent on the

Thai side of the border estimated

that hundreds of unarmed Khmer

Rouge guerrillas were among the

A Cambodian government offi-cer said the town of Pailin, which the government says it occupied on Saturday, was still coming under

harassing fire from guerrillas in

A helicopter due to take the Cambodian chief of staff, General

surrounding hills.

the officer said.

Thai border.

said General Pol Sarocun,

KON DAMREI, Cambodia -

to force a Western- or European-type democracy onto others," Mr. Hosokawa said while flying back to Tokyo via Shanghai after his threeday trip to China.

"I made the same statement when I met President Clinton last November," Mr. Hosokawa said. His remarks were made at a banquet given by Mr. Li on Saturday. Japanese Foreign Ministry officials traveling with Mr. Hosokawa had not made his statement public to reporters in Beijing. They had only said the Japanese prime minister urged Beijing to improve its human

Japan is locked in a difficult diplomatic situation: It wants to strengthen ties with China, the with the United States.
A spokesman at the Chinese For-

rights record

eign Ministry said Mr. Hosokawa had said at the banquet that he fully understood Mr. Li's position numan rights, and lauded Mr. Li for China's active role in a world

conference on human rights last during Mr. Christopher's visit, and told him Beijing would never bow

Mr. Hosokawa explained to journalists accompanying him on the flight back to Tokyo on Monhuman rights record. But his remark was an implicit rejection of the U.S. policy of linking China's favorable trade privileges.

The latest remarks by the Japanese prime minister could set off a fresh dispute with Washington and deteriorate already worsening rela-tions with the United States. A meeting between Mr. Hosokawa and Mr. Clinton broke down last month after Japan rejected a U.S. demand for numerical targets to measure market-access improvement in such areas as insurance, medical equipment procurement and telecommunications.

Secretary of State Warren M. Christopher, in Tokyo earlier this month before going on to Beijing, asked Mr. Hosokawa to cooperate world's fastest growing economy, while facing a bitter trade dispute with the United States.

with Washington in pressing China to better its human rights record.

Mr. Christopher later warned China's leaders that they stood to lose their preferential trade status if they did not show progress on human rights.

Chinese police rounded up more

to foreign pressure.
On Sunday, Mr. Christopher said he remained optimistic that day that he did not intend to rebuff China would meet Washington's recent efforts of the United States demands for improvements in huto pressure China to improve its man rights and avoid the loss of favorable trade benefits. He held out prospects that the United the U.S. policy of linking China's
States might separate its human human rights policies to giving it rights and trade policies in the fu-

> "I still have high hopes they are going to be doing enough so we can find them in compliance" and renew the trading status, he said, noting two months remained before a decision was needed.

Chinese leaders have vehemently opposed linking the two, claiming that its human rights standards are an internal matter and that Asian nations have a different concept of rights than the United States and

In Honolulu on Sunday, a top Chinese official welcomed signs that the United States might compromise in its dispute with China over human rights and said Beijing was willing to discuss the issue as long as it was not linked to trade. The Chinese government has made it very clear that we are will-

countries," Finance Minister Liu

ing to discuss the issue with other



A Chinese dissident, Gao Hongmin, showing his protest leaflets on Monday in Beijing. He was arrested in the street a while later. cameraman from a Canadian tele-family member said. (Reuters, AP)

# **Tiananmen Police** Seize Leafleteers

Compiled by Our Staff From Dispatches BELJING - At least two women tried to distribute leaflets in Tiananmen Square on Monday before dozens of policemen rushed to subdue them and seized at least one foreign journalist's film, witnesses

In a separate incident, a man was detained outside one of Beijing's special residential compounds for foreigners after showing reporters leaflets supporting democracy that he said he planned to throw in the

The witnesses in Tiananmen Square said they saw leaflets being thrown into a crowd in the square, site of the 1989 student-led demonstrations for democracy, which were brutally crushed by the army.

The police immediately scrambled to gather all the pieces of paper and to deal with the leaflet throwers, the witnesses said. There was no indication what the leaflets

The Foreign Ministry, in effect, denied that the police had taken the pamphleteers into custody, saying, Two Chinese women were stopped by other citizens for dis-turbing public order."
Plainclothesmen wrestled a cam-

Plainclothesmen wrestled a camera from Manuel Ceneta, a photographer for Agence France-Presse, and returned it only after exposing the film. The police also hindered a

vision network. The reporters were covering a meeting of the national legislature, which is at the Great

Hall of the People on the west side of the square. Later Monday, a government employee named Gao Hongmin visited the office of a Western tele-

vision network to show them copies

of a leaflet he said he wanted to distribute in Tiananmen. The leaflet called for a fully freemarket economy, gradual steps to-ward democracy and a reversal of the official verdict on the protests

for democracy in 1989. Mr. Gao, 44, said he was working alone and had no connection with the morning leaflet attempts. He was grabbed by security agents upon leaving the guarded compound and thrust into a car.

vitnesses said. The police in recent weeks have detained and interrogated a number of dissidents.

In addition to a tiny democracy movement. Beijing also has a num-ber of people who have expressed anger at the current visit of Prime Minister Morihiro Hosokawa of Japan because of Tokyo's war record in China.

tion from Japan for wartime atroc-Mr. Hosokawa arrived in the city, a

湯を 本語 とうこう

# Crisis Deepens

Continued from Page 1

**KOREA:** 

expressed "grave concern" over North Korea's refusal to allow inspectors into a nuclear complex in Yongbyon. As a result of the refusal, the agency "remains unable to verify that there has been no diversion of nuclear material," it said. In referring the matter to the Security Council, the agency did not recommend any specific action. Ke Kim Yann, to the town had to The 15-nation Council is empowland about four kilometers away, ered to impose sanctions, but UN sources said the Council might give

Pailin is about 355 kilometers North Korea one more chance to (220 miles) northwest of Phnom resolve the dispute through diplo-Penh and 12 kilometers from the matic channels before moving ahead on trade sanctions, the ster-General Saroeun said the guerrilnest measure the United Nations las had split up into small groups to can take short of military force. carry out ambushes and harrying Mr. Christopher said that Washactions. He estimated Khmer ington would push for a UN resolu-

killed, compared with government casualties of 7 killed and 22 woundultimately it was "preparing for trade sanctions." He predicted that China, North "It's not been easy," he said at his tent headquarters 24 kilometers Korea's main ally, would go along with such action for its own securifrom Pailin. "We've gone through ty reasons, and would not use its veto power to block a sanctions

tion against Pyongyang and that

But the general said he doubted resolution. the guerrillas could launch a suc-China "has indicated in the past; cessful counterattack as they did it would be very undesirable to after the government overran their have a nuclear capability on the northern base of Anlong Veng last Korean Peninsula," Mr. Christo-

> But China abstained from voting on the decision by the atomic inspection agency, a UN body, to refer the matter to the Security

North Korea said in a statement that U.S. actions, including the cancellation of the scheduled Geneva meeting, were pushing the country toward withdrawing from the nonproliferation treaty. But Mr. Christopher said the United States had proceeded in a "patient and deliberate way" to make North Korea open up suspect facilities. He said the Clinton administra-

tion would continue to proceed "very deliberately" while taking into account concerns that sanctions could create added tension on the peninsula. Some strategists in Washington fear that pushing North Korea's largely isolated leaders into a corner could goad them into an attack on the South.

munity. The president said that he

Mr. Christopher said that there were no immediate plans to aug-But the most serious charges are ment the 37,000 American troops

> ■ Threats From the North David E. Sanger of The New York Times reported earlier from Tokyo: Hours before the International Atomic Energy Agency took ac-tion, North Korea said Monday that it would no longer allow in-

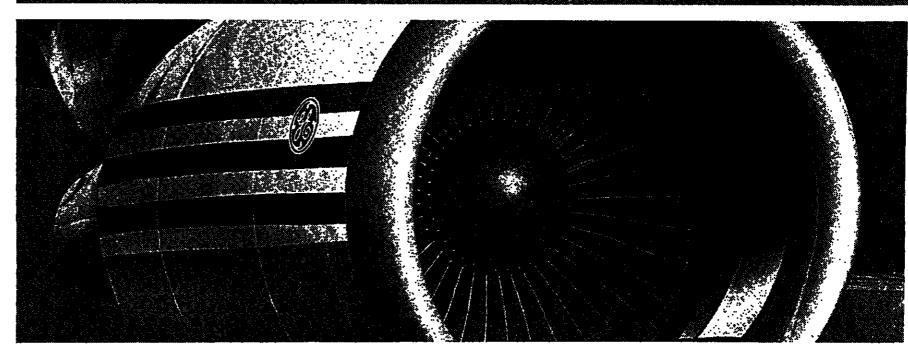
> spections of its nuclear sites. In an angry, six-page denunciation of the Clinton administration and the atomic energy agency, issued by North Korea's Foreign Ministry, the Communist government in Pyongyang charged that "the United States committed a perfictious act" that "may bring the Korean nation back to the phase of

confrontation and war."

If the North carried through on its threat and left the Nuclear Nonproliferation Treaty, it would mark a significant setback for the Clinton administration. Ever since the North threatened a year ago to become the first signatory to renounce the treaty — a step that would leave it free to produce nuclear weapons - the United States has engaged in an enormously complex effort to use economic and diplomatic incentives to keep North Korea within the treaty. But it has insisted that the North open

up to inspections. Until a little more than a week ago, when the North refused to allow inspectors to take radioactive samples from critical parts of the facility, it appeared that the effort was making significant progress.





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THE WELSH ADVANTAGE

# **Toward Nuclear Security**

Amid all the talk about renewed rivalry, Russia last week took two welcome steps toward nuclear cooperation with the United States. It shut down the three nuclear reactors that were still producing plutonium for nuclear arms. And it agreed to mutual monitoring of nuclear storage sites where both countries will store plutonium extracted from dismantled warheads. These moves will help reduce and secure the volume of fissionable material in circulation - thereby limiting the chance that other countries with nuclear ambitious can get their hands on that material.

The next useful step is for the two nations to speed deactivation of nuclear forces scheduled to be dismantled under two strategic

It makes sense for Moscow to shut down its plutonium-producing reactors; Russia has more weapons-grade nuclear material than it needs or can safely keep track of.

Russia thus joins the United States, China, Britain and France in halting production of weapons-grade plutonium and uranium. A global ban is possible if Pakistan, India and Israel follow.

Mutual monitoring of nuclear storage sites also sets a useful precedent. The United States and Russia have long accepted procedures for observing each other's missile and bomber deployments and tests. But never have they allowed mutual monitoring of storage sites, heiping to secure nuclear material against theft.

They now need to agree on proposals to monitor the dismantling of warheads and to measure the material extracted. Under new procedures devised by the Pentagon, disman-tling could take place without revealing war-head designs. The plutonium cores would be put in special containers that would permit the amount of plutonium to be measured

without examining the cores.

There are other ways in which the two countries could extend the spirit of cooperation. Moscow and Washington have begun to retarget their missiles so they are not aimed at each other, in effect taking them off hairtrigger alert. That step, however, is too easy to reverse. To further reduce the risk of nuclear accident, they could deactivate all missiles scheduled for dismantling — removing the warheads and storing them separately.

That is already being done for missiles covered by the first Strategic Arms Reduction Treaty but not for those under START-2. While they are at it, Washington and Mos-

cow could do more to broaden military cooperation beyond nuclear matters. This summer's joint peacekeeping exercises in Russia's Volga military district, another first, provide a useful start. - THE NEW YORK TIMES.

# **Backward in East Europe**

gary's right-of-center government has sacked 200 radio and telegiate 200 radio and television journalists, allegedly for budgetary reasons. It is no accident, to use a locution often heard in Communist times, that those dismissed included Hungary's most popular and independent broadcasters.

Though the post-Marxist regime pretends to denounce the old autocratic ways, its moves against the press are indistinguishable in principle from those under communism. Heading the list of those dismissed are the presidents of Hungarian Television and Hungarian Radio, who were appointed in 1990 with the agreement of all major parties to put the state-owned system under an autonomous corporation, along the lines of Britain's BBC.

New guidelines were instituted to assure independence, vastly annoying the government, which assumed it would get the same favored treatment as its Communist predecessors. In the words of an ultranationalist government official, Istvan Csurka: "If these media are the most important power factor, it is justified for the winners of the first free election to gain possession of them." That is the common assumption of all leaders who wish to permanently wield the whip of power.

The Hungarian government was deeply annoyed by live coverage of a Budapest taxi strike, and by the refusal to give a sitting prime minister exclusive air time before municipal elections. So budgets for broadcasters were savagely slashed, and then Mr. Csurka trum-peted the charge that many offending journalists were "not Hungarian," a code phrase for Jews in a country where fascism flourished between the world wars.

This was finally followed by mass dismissals. With variations in detail, similar assaults on independent journalism, especially broadcast journalism, are now commonplace in former Communist countries.

Hundreds of broadcasters were sacked in Belgrade after elections in early 1993. In Slovakia, former Communists and their nationalist allies cut budgets and forced the resignation of independent broadcast journalists, whose offense, as the minister of culture puts it, was to give "too much space to the opposition."

Fortunately, these attempts to stifle debate and limit accountability are the focus for im-

passioned arguments in new democracies.

About 30,000 people joined demonstrations last week in Budapest to protest the purge of broadcasters. A newspaper poll shows that most Hungarians believe the dismissals were inspired by politics and not the result of belthtening. Concern is justified. When journalists are fired, starved and forced into exile, it is the first big backward step to tyranny.

- THE NEW YORK TIMES.

# Let Aristide Strike a Deal

Conditions in Haiti are clearly growing worse. Soldiers have now undertaken another wave of terror intended to stamp out support for the exiled president, Jean-Bertrand Aristide. Dozens of mutilated bodies have been found in the streets in recent weeks. Meanwhile, other countries, in an effort to force the soldiers out of power, have been applying economic sanctions that so far have most hurt the people they are intended to help: Haiti's poor and disenfranchised. Food prices are soaring, the country's rudimentary transportation system has collapsed, and there are widespread reports of malnutrition and even starvation.

Some of Haiti's friends in the United States want to respond to the latest murders with broader and tighter sanctions. But if sanctions work, they will work only slowly, at an unacceptable cost to the bealth and lives of innocent Haitians, particularly children.

Another idea is to send in troops from the United States or other foreign countries to restore Mr. Aristide, as the country's elected president, to his office. But if foreign troops brought Mr. Aristide home, they would have to remain for a long time to prevent the military rebels from throwing him out again. It is hard to think that a long foreign occupation would be good for democracy in Haiti.

If neither harsher sanctions nor an invasion seems promising, what might work? The U.S. administration says the political alignment inside Haiti may be shifting. Appalled by the bloodshed and the deterioration of the economy, Haitians who are no supporters of Mr. Aristide are said to be ready to enter into an alliance with him and isolate the military commanders responsible for the mayhem.

It is far from certain that this strategy would work. But it may never even be tried, Mr. Aristide is mistrustful of this kind of compromise with his adversaries and suspects it is intended to reduce him to the status of a figurehead. He points out that a similar deal collapsed last year, when the military commanders refused to clear out on schedule. Since the United States and the United Nations organized that deal, he argues, it is up to them to think of another way to return him to Haiti.

That logic, unfortunately, does not lead anywhere. He is the president of the country, and if he does not begin to construct the kind of compromises that can create a coalition capable of government, no one else can do it for him. Amid great suffering, Haiti is waiting for a new political initiative. It can come best from its elected president.

-THE WASHINGTON POST.

# Other Comment

#### Tap the 'Apartheid Dividend'

Another event that took place in Bophuthatswana a few days after the battle with white extremists went largely ignored by the media but also has important implications. Nelson Mandela went to Mmabatho, the homeland's capital, and received a hero's welcome. Among those cheering were the numerous civil servants of the former homeland who could support Mr. Mandela because they had been assured they would keep their positions and their pensions.

To make a dent in inequalities in housing, medicine, education and infrastructure inherited from white rule, the new government should fire thousands of these civil servants. Eliminating the duplication would be a critical part of the "apartheid dividend" needed to address the

social backlog. But the ANC agreed to protect civil-servant jobs and pensions as part of the price of having to negotiate for power. Having to keep on so many agents of the old

regime will be an enormous financial burden at precisely the time when every last rand will be needed to address social problems. Indeed, the irony that the Africans and whites who worked for and supported President Lucas Mangope until the end will be among the most prosperous in Minabatho for a long time to come, while those who helped overthrow him will remain poor, will be a permanent source of anxiety for the new government.

 Jeffrey Herbst, an assistant professor of politics and international affairs at Princeton's Woodrow Wilson School, writing in the Los Angeles Times.



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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Fax: Circ., 46.37.06.51; Adv., 46.37.52.12. Internet: IHT@euroko Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511, Tel. (65) 473-7768, Fax: (65) 274-2334
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# In It Together for South Africa

PRETORIA — There has never been anything exactly like it: an advanced industrial country transforming itself, in deliberate steps, from rule by an elite racial minority to a mass democracy.

That is the extraordinary process now taking place in South Africa, pointing to an election April 27-28 in which the black majority will be able to vote for the first time. The process produces daily won-

Mandela and de Klerk are political opponents, but both are intent on getting to the election next month, and they will not let differences over the past or the present distract them.

ders and ironies, none more symbolic than the scene in a lofty round chamber of the main government

building here the other evening, Judge Richard Goldstone, chairman of a commission investigating the sources of South Africa's political violence, unveiled an emergency report. In measured lawyer's language it alleged a conspiracy by high police officials "aimed at the destabilization of South Africa."

By Anthony Lewis

The report said that the deputy oner of the South African police and other career officers se-cretly supplied a large volume of weapons — AK-47s, mortars, gre-nades — to the Inkatha Freedom Party, which is boycotting the elec-tion. It said they trained killers and ordered murders, including the

slaughter of commuters on trains. President Frederik de Klerk, sitting next to Judge Goldstone, said that he had put the officers mentioned on immediate leave while a new international prosecutorial team looked into the matter further. A reporter asked whether

they would be arrested.
"We cannot just arrest a person because his name is mentioned," Mr. de Klerk said. "We have a civilized legal system."

A civilized legal system: in a country where 95,000 people have been detained without trial since 1963, when Mr. de Klerk's National Party introduced the idea of such detentions. Most were de-tained without any evidence of crime, for political reasons. A large number were held in solitary confinement for months or years. Some, like Steve Biko, were killed. Mr. de Klerk's answer might, then, have elicited cries of outrage. But Nelson Mandela, leader of the

African National Congress, made no complaint about the president's handling of the Goldstone report. Nor did he say "I told you so," even though he had long charged that a "third force" led by police officials

was stirring up violence.

Mr. Mandela and Mr. de Klerk,
though political opponents, are
united in one fundamental respect in this transitional period. They are intent on getting to April 27 and the election, and they will not let re-criminations about the past or disagreements about the present dis-

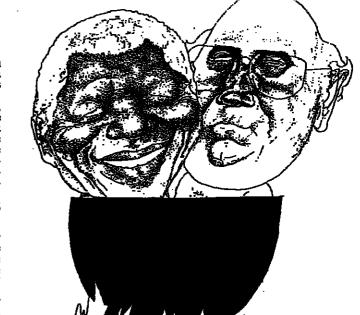
tract them from that goal.

In fact, they are already working together on big questions as if Mr. de Klerk were part of a coalition under Mr. Mandela — as is likely after April 27. Judge Goldstone consulted Mr. Mandela as often as he did Mr. de Klerk during the investigation and preparation of his latest report.

The most dramatic evidence of partnership was the decision to intervene in mythically independent Bophuthatswana when violence erupted there March 10 and 11, and to install officials to run it instead of President Lucas Mangope. That decision was taken by the Transitional Executive Council set up to oversee the government until the election.

Many expected the council to be a facade. In fact it is functioning. One reason is that it includes the two men who successfully negotiated the new constitution, Cyril Ramaphosa of the ANC and Roelf Meyer of the National Party, who became friends in the process.

In a sense, perhaps, that strange scene when Judge Goldstone pub-



By GRAFF in Dagblader (Oslo), C&W 5 lished his report reflected the new

South Africa struggling to emerge from the old. For the hope is that from here on South Africa will have a civilized legal system, with a new constitutional court enforcing a detailed bill of rights and police obeying the law.

And after all, President de Klerk's appointment and support of Judge Goldstone represent a commitment to that kind of future.

past April 27. And there the big hurdle is the man whose Inkatha Party got all those weapons from the alleged police conspirators: Chief Mangosuthu Buthelezi of KwaZulu. Chief Buthelezi is doing his best

to sabotage the election and prevent its taking place. The reason is sim-ple: If he takes part in an election, he knows he will do badly. The New York Times.

# Asia: Economic Growth and a U.S. Role Don't Guarantee Peace

C ANBERRA—Asia is in vogue these days, with pundits East and West proclaiming the dawn of a peaceful Pacific century. Secretary of State Warren Christopher says there has not been a better time for peace in the region in

Such optimism is based on two assumptions. First, that Asia's rapid economic growth and increasing economic interdependence will reduce the reasons for, and raise the costs of, armed conflict. Second, that America will continue to play a key security role in the region,

thus maintaining the current balance of power. But Asia is a region where there are still serious ideological, territorial and religious disputes, historical antipathies and the clash of cultures. It also is the world's fastest growing arms market. Defense spending in the region, which is set to outstrip that of Western Europe by the year 2000, exceeds \$100 billion a year. Growing concerns over Pyongyang's nuclear

ambitions are just one sign of the spread of nuclear weapons and ballistic missile technology evident in China, India and Pakistan, as well as in North Korea. There are clear signs that several Asian countries are coverily developing chemical and biological weapons or the capacity to make them. Advanced conventional weapons are increasingly being introduced throughout the region.

As the constraints imposed by the Cold War are released and new tensions emerge, a period of change and uncertainty is likely in Asia. And as countries enlarge their military stockpiles, By Paul Dibb

collective security arrangements are in flux. Bilateral alliances created in the Cold War are nging. There is new interest in multilateralism. The military buildup is occurring just when alliances are becoming less predictable. There is potential for great change in the regional balance of power as the strategic roles of the United States, China, Japan and India evolve.

In these uncertain circumstances, the interests of the middle powers in the region — including Australia and members of the Association of South East Asian Nations - are likely to be best served by the preservation of an equilibrium between the large powers. The smaller players would feel threatened if any single country appeared set to dominate the region. Their own security and freedom of maneaver is best guaranteed by a system in which the large powers balance each other.

For most countries in Asia, the United States is the key to maintaining a favorable balance of power. It is important to continue to engage U.S. military interest in the Asia-Pacific region. But there is a general view that, following the collapse of the Soviet Union, U.S. security interests in Asia have lessened. Thus the middle powers must do more for their own defense.

America will continue to have important strategic interests in Asia but they will be focused on North Asia - on the Korean Peninsula, China, Japan and Taiwan. Even so, there are doubts

about the strength of America's commitment to this part of the world in the longer term. China is an ambitious power and its strategic influence will grow over the next decade as its economic strength gives it the means to become a more powerful actor in the Asian security equation. Beijing is the one power with the potential to contend with the United States for regional leadership in the 21st century. Already it has the ability to project military forces superior to those that Southeast Asian nations could deploy to the South China Sea, where

there are serious territorial disputes. Economic rationalists argue that China will never actually use its military forces abroad because it has too much to lose given its increas-ing dependence on world trade. But when its senior leader, Deng Xiaoping, dies, China will undergo a major political transition transition that could produce instability at home and

more aggressive policies abroad.

The other Asian great powers, Japan and India, do not give cause for such concern. Militarily, they are likely to remain essentially regional powers. And Russia, preoccupied by serious domestic problems, will have few interests in

Rapid economic growth in Asia will cause changes in political power. If the region can continue for the next 20 years to outgrow the rest of the world, as it has done for the past 20 years, it will account for more output than North America and the European Union combined. By early next century, the Chinese econStates. Such developments eventually would produce a new correlation of power in Asia and substantially different military possibilities. As Asia becomes a tougher economic com-

petitor, rivalry and a desire for advantage over others will grow apace. Amid such strategic uncertainties, it is far from clear that Asia will evolve peacefully. Strong historical enmities and rising economic power could well produce a dangerous level of tension.

Imaginative policies are required that focus on the need for multilateral cooperation and military dialogue between the countries of the region, as well as greater economic exchanges. The creation of APEC, the Asia-Pacific Economic Cooperation forum, and of the ASEAN regional security forum, are sensible steps. To the extent that understanding and con-

structive contact between military forces in the region can be developed, the chances of miscalculation, surprise attack or any unleashing of nationalist forces will be reduced. But it would be unwise, for now, to take the currently favorable economic and political trends in Asia for granted.

The writer, head of the Strategic and Defense Studies Center at the Australian National University in Canberra, is a former senior official of the Australian Defense Department and director of the Defense Intelligence Organization. He contributed this comment to the Internation-

# A Difficult Inquiry Into Lithuania's Holocaust Bears Grisly Fruit

ONDON — Amid all the attention being paid to Steven Spielberg's Holocaust film, "Schindler's List," another list, drawn up by the Nazi butcher Karl Jaeger, has emerged from a recently discovered German file in Moscow

There I found the Jaeger list among closely typed documents, some stamped with the Nazi eagle and swastika, in the so-called Special Archive. Karl Jaeger was the man principally responsible for the exter-mination of 96 percent of Lithuania's Jews, the highest proportion for any country. The yellow Moscow building houses not only the Jaeger papers but those of more senior Nazis such as General Reinhard Heydrich, head of Reich security, which were carried away by the sackful from Gestapo

lquarters in Berlin in 1945. The Nazis were punctilious about recording genocide — the list breaks down the death roll by execution site and by the victims' sex and place of origin. One entry mentions "two American Jews killed at Kauen." The date was seven days before Pearl Harbor and 10 days before war was declared, a time when these anonymous Jews were at real risk.

What were they doing that late fall of 1941 in Kauen (today Kaunas)? They were doubtless relatives

who had emigrated," said Efraim Zuroff of the Simon Wiesenthal Cen-

ter in Jerusalem in a telephone interview. "They were caught up while on a rare visit in the German invaders' net." In fact, a third of all Lithuanians are estimated to have settled overseas before World War L most of them in the United States, and a quarter of the emigrants were Jews. The subject of Lithuania distressed Mr. Zuroff. "Our investigations are

not going well," he said. "Ever since Lithuania became independent, attitudes on the ground there to finding the people who were involved in these crimes has left a lot to be desired." The center, which has its international headquarters in Vienna, has helped bring many prominent Nazis to justice. But it suffered a double

setback over the New Year. First the new Lithuanian government turned down its request to open an office there so that evidence could be gathered in situ, with the belp of the Lithuanian legal authorities.

A government spokesman explained the refusal this way: "This Jewish organization applied to investigate when it is for Lithuanians to decide on courses of action. Our lawyers don't know all the facts and there

Somalia: Lessons of a Rescue

WASHINGTON—As the last U.S. military forces leave Somalia, 16

George Bush, what conclusions can be drawn?

One must start by recalling the fall of 1992, when Somalia was a devastated country, with more than 300,000 people dead. There were no prospects for an end to this terrible paroxysm. Yet within six weeks after

the first U.S. Marines landed on Dec. 9, 1992, clan warfare had practical-

ly ceased and mass famine and disease had been brought under control.

U.S. and other military forces came with overwhelming power and an evident will to use it if need be. But there was an equally evident desire to save lives and restore peace, not to treat any Somalis as enemies or take over their country. There was continuous dialogue with Somali leaders of all kinds, and a broadening of political power was encouraged.

Perhaps overly emboldened by the surface appearance of stability, or too eager to test new theories of rebuilding failed states, the United Nations and the United States decided to greatly expand international

nations and the Officer States decaded to greatly expand international action in Somalia. This included civil administration. Plunging so deeply into Somalia's internal affairs inevitably brought the peacekeepers into political confrontation and then military conflict.

President Bill Clinton resisted powerful congressional pressure to pull

out at ouce. He succeeded in getting a five-month period to pursue a corrected policy course. Had the United States pulled out right away, it

The new course focused upon political rather than military methods, cooperation with all factions in encouraging them to determine their furnire and preparation for a UN military and civilian operation after March 31.

On the negative side, political rivalries continue to block agreement on

a governmental structure and inhibit cooperation on establishing the police force and combating bandiary. The largely spontaneous but increasing violence poses a threat to international assistance.

But Somalia has been an invaluable lesson for the United States and the

UN in what is likely to work and unlikely to work in the complex politico-

— Robert B. Oakley, former ambassador to Somalia and later U.S.

special envoy to that country, writing in The Washington Post.

would certainly have meant the end of all hope for Somalia.

humanitarian emergencies that have become all too common

months after Operation Restore Hope was launched by President

By John F. Crossland

will be no action taken at present." Mr. Zuroff said, "The Lithuanian overnment is afraid of the information which will be made public if we are allowed to do research and find witnesses. The nationalist opposition has incredible difficulty acknowledging the role played by Lithuanian of Lithnanian Jewry."

The second blow was the recent decision of Scottish legal authorities to drop investigations into the war-time role of one of those collaborators, Antanas Gecas, a retired mining engineer living in Edinburgh. Mr. Zuroff contends that there is enough evidence to prosecute Mr. Gecas, who lost a libel case against Scottish Television in 1987 over a program on the activities of Lithuanian police units under the Germans,

The Germans filmed some of the killing fields of their new eastern empire, following Operation Barbaros-sa, the Nazi invasion of the Soviet Union. We are familiar with the images of the victims, caught wide-eyed with terror, seconds before the fatal volley from their captors. But here, available to the public for the first time, is the chillingly impersonal re-port of a mass murderer of the earliest phase of the Holocaust

The report is that of Standartenführer Jaeger, commander of Ein-satzgruppe 3 and regional head of the Sicherheitsdienst, or Special Security Force. He avoided arrest at the end of the war and worked as a farm laborer near Heidelberg until discovered in 1959. He hanged himself in his prison cell while awaiting trial.

Karl Jaeger wrote to his superiors in Berlin from Kauen, Dec. 1, 1941: "I

am in a position to give you evidence that the Jewish problem has almost been solved here. Today there are almost no Jews left in Lithuania, except the Jews who are working for us." He puts this number at 34,500 and adds: "I was about to kill these people too but the civil anthorities were against it. The Reichskommissar [Al-

fred Rosenberg] issued an order not

to shoot them.

Such special operations are primarily a question of organization, he says. The Jews must be driven to one, or to several sites, depending on the numbers, and the distance between the assembly point and the grave should be more than 4 or 5 kilometers."

He continues: "The Jews should be divided into subgroups, 500 in each, and the distance between the groups should be at least 2 kilometers. What hard and nervewracking work this is for us I will illustrate with this example. In a small place called Rokiskis, 3,000 men were moved 4.5 kilometers to the execution place. To do this job we used 80 collaborators. Sorty were used to drive the trucks and as guards; the other 20, together with my men, did the shooting itself. We lacked transport and there were numerous attempted escapes, which were stopped by men at the risk of their lives. One team at Marianopol shot 38 Jews and Communists who were trying to escape into the woods." Standartenführer Jaeger proudly announced that 143 Jewish children

Recently discovered documents describe the extermination of 96 percent of Lithuania's Jews, the highest figure of any country.

had been murdered in Kaunas and 599 in nearby Kedaininc. He praised his "rank and file, who had worked very hard." He concluded: "The Jews who have been kept alive for work should be killed after the winter. I also believe that after sterilization of the male Jews an end will be put to them, and if any Jewish woman gets pregnant she should be killed."
Since the start of Barbarossa, the total number of Jews killed in Lithua-

nia alone was 137,346. Karl Jaeger's enthusiasm brought him the displeasure of the head of the Gestapo, Heinrich Müller, who in a dispatch of May 18, 1942, said: "According to the OKH [the German high command] in Minsk, 630 Jewish craftsmen were given special protection because of their exper-

tise. Despite their qualifications they were later killed. In future I am asking you to take into consideration the opinions of the Reichs-führer SS Himmler and police chiefs not to kill Jews in the age bracket 16 to 32, who are capable of doing work. These Jews must be sent either to concentration or labor camps."

In the same captured files I discovered evidence that Reichsmarshall Hermann Göring, far from "never having decreed the murder of a single individual" as he claimed at Nuremburg, was a prime mover in the earli-est stage of the Holocaust, a year before the plan for the elimination of Europe's Jews was drawn up at the Wannsee conference.

The darker side of this top Nazi is revealed in a 12-point memorandum, drafted by General Heydrich on March 26, 1941, after a meeting with Reichsmarshal Göring to discuss the exploitation of conquered Soviet ternilory after Barbarossa. Above his signature, General Heydrich wrote this: The Reichsmarshal said that the troops should be warned about the danger of the OGPU, the political commissars, the Jews and so on. The soldiers should know who to put up against the wall and shoot!"

The whole truth about what happened in Europe must be revealed. Thus the interest in being given access to witnesses of the Lithuanian Holocaust - one of the last unresolved and unpunished chapters of a story of which the world is once more being reminded.

The writer is a British journalist and archivist. He contributed this comment to The Washington Post.

# IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Corean Conspiracy

NEW YORK — According to mail advices received in San Francisco from Corea, a plot has been discovered to blow up the King and his Ministers, and to overthrow the government. Theretivesters ernment. Twenty-seven conspirators have been arrested and will be beheaded in order, it is said, to prevent them making revelations regarding some high State dignitaries who are involved in the plot.

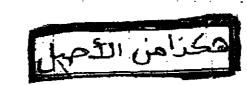
1919: Tension in Siberia

WASHINGTON D.C. — Washington officials are much disturbed over continued reports of anti-American agitation in Siberia, much of which is ascribed to Japanese agents. The situation is recognized as having an ele-ment of danger to the friendly rela-tions between the United States and Japan. There is no hint of actual disagreement between the two Govcraiments, but representatives of the old war party, which was displaced

by the present Japanese Administration and who are now active in Siberia, have brought about a certain degree of tension. So far there has been no official cognizance of these al-leged anti-American activities but conditions are such that serious complications may arise at any time.

1944: Patton Replaced ALLIED HEADQUARTERS, Na

ples - [From our New York edition:] Major General Alexander M. Patch Ir., hero of Guadalcanal, today [March 21] was named commander of the United States 7th Army, formerly commanded by Lieutenant General George S. Patton Jr., who was rebuked by General Dwight D. Eisenhower for cuffing a shell-shocked soldier in a Sicilian hospital last summer. Patton's new assignment was not announced, and there has been little news of the activities of the colorful tank warfare expert since the affair of the ill soldier was made public last November.



## OPINION

# Say It Ain't So, Chairman, And Let Whitewater Flow

By William Safire

W ASHINGTON — Eight members of the great Chicago White Sox team had just been indicted for conspiring with gamblers to throw the 1919 World Series. A young lan, tears in his eyes, ran up to Shoeless Joe Jackson and pleaded: "Say it ain't so, Joe,"

I feel that way about the House banking committee chairman, Henry Gonzalez, a Democrat of Texas. He was my hero. For years, while Beltway clitists joined bankers' lobbyists to scoff at his ponderous style, I admired his courage in taking on the titans of the executive

branch and the regulatory agencies.

Long before the Banca Nazionale del Lavoro affair blossomed into the Iraqgate scandal, it was Mr. Gonzalez who saw through the flimflam of the U.S. attorney in Atlanta. Chairman Gonzalez, droning on late at night to an empty House chamber, put into the Congressional Record evidence of the Justice Department's connivance in silencing inquiry into President George Bush's misbegotten financing of President Saddam Hussein of Iraq.

That was during a Republican admin-

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's Grisly Fru

SEA COMMITTEE

Dec and all the same of the

Chief Barretter Law his

istration. Surely, I thought, when the mo-ment came for investigation into the sav-ings and loan debacle and abuse of federal power in discouraging and "moni-toring" of criminal referrals of bank regulatory agencies, Chairman Gonzalez would see his nonpartisan duty and lead the way in Whitewater, no matter what the pressure from Democratic satraps. Last month, as evidence mounted of White House and Treasury meddling in a

banking prosecution — and as the need

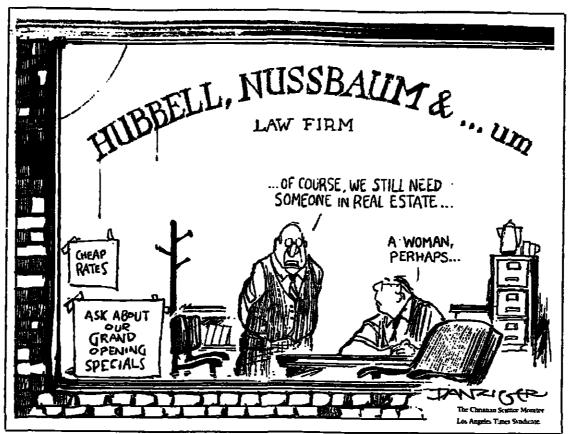
for the banking committee's oversight be-

came urgent -- I called my frequent source and asked: Henry, where are you? "As soon as I see some legislative purpose to hearings," he promised, "I'll hold them." Pressed about the oversight responsibility of his banking committee, Mr. Gonzalez pointedly noted that "several crack staffers" from the Republican minority were hard at work and he would study their findings. I wrote reassured: Henry might not be in the fore-

front, but would do the right thing. What a foolishly idealistic pundit am That was before staffers working for Representative Jim Leach, the soft-spoken lowan who is the banking committee's ranking Republican, began hitting pay dirt about the costly manipulation of Madison Guaranty Savings & Loan by the Clintons' lawyers and partners.

At that point, Henry the Unstoppable was transformed into Henry the Stopper. Nothing is subtle about the Gonzalez stonewalling: Never in the history of the U.S. Congress has there been such a blatant effort by a committee chairman to protect the White House by stran-

gling a needed investigation in its crib. Hearings? Henry won't bear of them. Although he cannot block the lawfully mandated semiannual oversight hearing of the Resolution Trust Corp., he insists that all the witnesses be jammed into a single day on Thursday of this week. When Mr. Leach offered to postpone this hearing a few weeks to accommodate the nonindependent counsel's desire for first bite at the testimony apple. Henry said



do not have to cooperate, he undermines the House's power to check the executive branch. This is unprecedented partisanship, probably against House rules, but the Democrat in the speaker's chair, Tom Foley, isn't enforcing rules that

might embarrass Democrats. Who is this Leach? He's the last of the Rockefeller-Javits Republicans, a pariah nothing doing: one day now or never.

Worse, by notifying administration witnesses called by Mr. Leach that they

David Withelm, the Democratic National Committee's pit chihuahua.

Henry, listen to your longtime admirers: You are turning Thursday's hearing into a televised trial of the Democratic stonewall. Every time Mr. Leach asks a searching question, and you rule it out of order or not germane, that will infuriate the watching public. Every wrongful rap of your gavel will drive a nail in the

administration's collin.

for "unless it's criminal, it remains secret." Remember Shoeless Joe, acquitted by a jury, but driven from the play-

the good citizens of San Antonio, and on Clinton voters everywhere, by exchanging your hard-earned reputation as fear-less maverick for the shoddy shield of partisan hypocrite. Say it ain't so, Henry. The New York Times.

Japanese." What about the Japanese-

Editor's note: The same review appeared in The New York Times, which a few days

later printed a correction stating that the

review "included an incomplete paraphrase

f one recollection by Mr. Keene about the

ftermath of Pearl Harbor and the number

Mr. Keene wrote, 'Soon after the outbreak

of war, I heard a radio broadcast to the

Americans who spoke Japanese then.

MARLAN CARLSON.

Siena, Italy.

speaking Japanese-Americans?

ing field forever by the overseer demanded by the fans.

Do not bring shame and obloquy on

# From 2d-Floor Potting Soil To Our Half Acre of Eden

By Linda Angeloff Sapienza

F ORT WASHINGTON, Pennsylva-nia — Be careful what you wish for. You may get the half-acre lot where all of your gardening fantasies are meant to come true. How many apartment dwellers have dreamed of working the same magic outdoors that they do in small spaces, knowing they possess skills that far surpass the limitations of the windowsill and balcony?

هكذامن الأجل

What a thrill to decide where to put a tree, or what to plant in the vegetable

#### MEANWHILE

patch. Think of the satisfaction in gazing on an evolving color palette designed to keep flowers in bloom all season.

Last month my family moved to a rural area near Philadelphia, ending 20 years of apartment gardening. When covered with snow, the half-acre (0.2 hectare) looked like the proverbial blank canvas. But with spring here, the melting snow reveals challenges far more daunting than choosing the best corner for the ficus. Can a green thumb earned above the second floor succeed with dirt that doesn't come from a bag labeled "potting soil"?

We apartment gardeners begin our careers on a small stage. With each new lease we seek better light, and in the best of worlds we get a balcony large enough

for two kitchen chairs. Most of us began with macrame plant holders and easy-to-grow spider plants. Philodendrons provided adequate window treatment, the tendrils hanging down over empty curtain rods. The sunniest window was reserved for the cole-

government is "depriving citizens of ba-

sic rights which many consider inalien-able." Can he name any country whose

constitution guarantees the inalienable

Of Singapore householders, 31 per-

cent own cars, higher than the propor-

tion in Hong Kong. High automobile

taxes in Singapore are compensated for

Overall, Singaporeans pay lower taxes

than the citizens of most developed

countries. This policy is imposed not by

the "elite," but by a democratically

elected government which must face the

Nobody likes to pay high car taxes.

But when the alternative is what has

happened in New York, Los Angeles.

Bangkok, Taipei and Seoul, high car taxes are the least objectionable and the

voters every five years.

by low personal and corporate taxes.

right to own cars?

us, its brightly colored, bushy leaves on the side facing the sun. The plant's "good" side lent elegance to dinner par-ties if turned toward the interior a few

minutes before the guests' arrival. Long after the guacamole is eaten, the supermarket avocado seed sits in a water glass, held up by toothpicks until it takes root. The resulting skinny stalk with its three large shiny leaves proves to be the most accurate indicator of when to water the houseplants. Its tendency to

droop at a moment's notice is legend. As we become more sophisticated about apartment gardening, we come to appreciate the absence of pests and guard our plants from any outside vegetation. The 99-cent-special houseplants outside the grocery store are not to be trusted. And if an infested plant is discovered next to our carefully tended African violets, tossing it away is easier than treating its affliction.

We learn which flowers can grow in doors, and have mild successes with geraniums and impatiens. The balcony is the perfect place to watch over summer plooms: Its small size assures that any wilted flowers will be promptly noticed. then pinched off to encourage replace-ments. Border plants, like bright red sal-via, work well even when the only available space is the border between the kitchen chairs and the street below,

This is the knowledge I bring to the half-acre. Is it any wonder that I'm planning the houseplants first?

Spider plants and philodendrons grow to immense size in southern Mexico, but we don't often see them in East Coast front vards. The outdoor coleus can't be turned in the direction of approaching dinner guests, and avocado plants are quickly dwarfed by fast-growing weeds. The pinching-off process goes a lot slower when more than six flowering plants are being observed.

And then there are caterpillars, aphids, whiteflies and neighbors neighbors who will know if the new guy can't control pests. And bees! Just how does one share space with them?

My blank canvas is turning into a nightmare. What if the misplaced tree grows 10 feet (3 meters) over a single summer? Or if the vegetable patch yields not a single zucchini? Don't squirrels eat everything in sight? How are they kept away from the bird feeder?

A landscape architect's help seems logical. Unfortunately, all funds not funneled into rent over the years went into the down payment for the half-acre.

The stonemason left a few pieces of golden-vein granite in the backyard, perhaps sensing that we are new at this stuff. Maybe a rock garden is the answer
... and a gazing globe. I have found a perfect corner for the ficus.

Ms. Sapienza is a writer and illustrator. She contributed this comment to The New York Times.

#### LETTERS TO THE EDITOR

#### Russia's Helping Hand

Regarding "A Modest, Fragile, Partial Success, but Still a Success" (Opinion, March 15) by William Pfaff:

To call President Bill Clinton's latest initiative in the Balkans "a significant foreign policy success" is being excessively generous. To deplore the Europeans' failure to conduct an effective for-eign policy in the Balkans as a political is being lavishly forgiving.

All of this does not mean that one should belittle what recent progress has been made. But history will condemn the West for having been a bystander when the worst violation of human

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

rights and international law since the Holocaust was being perpetrated.

And has it not been President Boris

Yeltsin's belated intervention in Bosnia that brought the Serbs to their senses? One wonders why Poland, Hungary, Slovakia and the Czech Republic are so keen on joining NATO when it's good old Russia that seems to achieve the socalled breakthroughs. KARL H. PAGAC.

#### Japan and Plutonium

Regarding "Taking 2 High-Tech Hits, Japanese Bow to Reality" (Feb. 23):

The Atomic Energy Commission of Japan is deliberating over the revision of the long-term program for development and utilization of nuclear energy, taking public opinion into consideration. The program has generally been revised about every five years, and the latest one is the result of a revision in 1987.

During the six years since then, there have been some delays in the programs

for the demonstration fast-breeder reactor, the commercial reprocessing plant and so forth. These delays are part of any technological development, and are a result of our policy of maintaining the proper supply and demand balance for plutonium, based on the principle that Japan should have no more plutonium than necessary, that is,

David Sanger's assertion that these delays are the result of Japanese bowing to overseas pressure is inaccurate. YASUTAKA MORIGUCHI.

YASU I AND MACAS Science and Technology Agency. Tokyo.

#### Media Missing the Point

I continue to be amazed by how far from the mainstream of America the news media have strayed. The media contended that Americans were concerned about Bill Clinton's avoidance of the draft. It never occurred to the patriots who control the front page that the vast majority of men during the

their minds: how to avoid the draft. Mr. Clinton did what millions of others did (including Dan Quayle). Second, more than 65 percent of

Vietnam War had only one thing on

American married men (a smaller percentage of women) have had or will have at least one extramarital sexual experience. Voters did not think Mr. Clinton's private life mattered. Third, the Whitewater details seem to

indicate activities that are pretty commonplace in the U.S. business world. At least Mr. Clinton lost money on the deal. ERJK H. THORESON.

## Speaking of Japanese

Regarding Christopher Lehmann-Haupt's review of "On Familiar Terms: A Journey Across Cultures" (Books, March 3):

I was shocked to read in this review that "after Pearl Harbor, he [the author, Donald Keene] learned that he was among only 50 Americans who spoke effect that only 50 Americans knew Japanese. This was absurd: There were hundreds of thousands of Japanese-Americans

who knew Japanese."

# **Better Than Gridlock**

(Letters, March 15):

most effective alternative to gridlock. Regarding "Wheels in Singapore"

J. Everett Blackworth claims that by restricting car ownership, the Singapore

The writer is a former Singapore ambassador to the United States.

994 Paris-Dakar-Paris Rally 19**9**3 Pharaohs Rally 1993 Baja Aragon Spain

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CREATING TOGETHER

# SERBS: UN Troops Find Arms Cache Near Sarajevo

Continued from Page 1

to end the shelling of Sarajevo. This has been accomplished under a NATO threat of air strikes if the Bosnian Serbs did not silence and pull back their heavy weapons or place them under UN control.

Last Friday, Bosnian Serbian soldiers fired a half dozen mortar rounds and hit a UN armored personnel carrier on a reconnaissance mission of a damaged bridge at the Serbian-Muslim confrontation lines outside Gradacac in northern

Communed from Page 1

in Hebron can be armed for self-

defense and can carry their weap-

Arabs must be unarmed.

rim. Benny Benyamin, one of the

soldiers outside who first saw Dr.

Goldstein arrive, said he greeted

him by saying, "Happy Purim."

Mr. Benyamin said he then asked Dr. Goldstein "why he didn't come

in his Subaru family car" since he

had a preferential parking space.

"He mumbled something and

entered," the soldier said. "I didn't

He said he was told not to check

bags carried by Jews. Rotem Ra-

vivi, the second licutenant guarding

the last passageway before Dr.

Goldstein opened fire, was asked

the Muslim hall with seven maga-

zines of ammunition.
"I didn't see them," he said. "We

But outside the gate where Mus-

stalled at the gates were not used

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don't check the bags of Jews."

pay attention."

for Jews.

It was the Jewish festival of Pu-

UN force had been asked by the local Bosnian Serbian command to carry out the mission and had been UN military action. given written security assurances.

On Sunday, Bosnian Serbian solwere escorting a UN convoy carrying humanitarian relief supplies from Sarajevo to Kiseljak. undar UN officials in Sarajevo said a siege.

After returning fire, the Scandi-navian crew was forced to evacuate tons of food coming from Zagreb the vehicle, which was then de-stroyed by Serb gunners. Major Maglaj, which is under siege by the MacDowall said that what was par-Serbs, in north-central Bosnia. The ticularly disturbing was that the first convoy in six months arrived

سور<del>ون</del> البراق المنافع مان العالم معالية المؤلف المعاددة والمثلث

A UN relief official, Kris Janowski, said food shortages in Magdiers also fired on UN vehicles that laj had proven not as bad as originally reported," although he said "not a single house" had been left undamaged during the six-month

# JUSTICE: One Law for Jews and Another for Arabs through.

The dual standards also applied to one of the most sensitive and nition - about 160 bullets. But he irrevocable decisions of all: when a was able to walk unimpeded into soldier can open fire. Although it is unclear whether an Israeli soldier the Muslim prayer hall because the established rules say Jewish settlers could have shot Dr. Goldstein to stop him, many of the soldiers on duty that day said they were under ons into the hall for worship, but standing orders never to shoot at a Jewish settler

> shooting at Palestinians when a soldier feels mortally threatened, and soldiers also may fire at Arabs when trying to apprehend them.
>
> An army tank driver, Richard Cohen, who ran to the site from the barracks nearby, said he was under orders not to shoot a Jewish settler "under any circumstances." Eli Barakat, a policeman, said he was

told "not to shoot at Jews unequiv-

ocally, even if he shoots at us." An

army document said, "It will be

By contrast, the army sanctions

emphasized that soldiers are not to use weapons against Israelis."
A social scientist, Meron Benhow he could have let someone into venisti, who has chronicled how Israel gradually created a separate set of rules and arrangements for the Jewish settlers, said the orders on when to shoot reflected a pecu-

liar and "murky" mindset that lims entered, there was an explicit viewed the conflict as tribal war. order to check all handbags carried "If the world is divided into two, by Arabs, according to Sergeant Kobi Yosef. And Lieutenant Ilan a Jewish soldier and settler belong to one tribe," he added. "People Bitton said the metal detectors inhave to understand that in this savage environment, people kill. Shoot an enemy — he belongs to the tribe that is warring with us. But he cannot shoot a Jew because he is a

> Amiram Gonen, a Hebrew University professor, said Israel devised the separate rules to avoid functionally create islands of Isra- access to.

el, in the sections settled by Israe-

lis," he said. In the Jewish settlement of Kiryat Arba where Dr. Goldstein lived, next to Hebron, the medical clinic is part of the Israeli medical system. When Arab residents of Hebron need medical care, they go to hospitals run by the Israeli military government or by private Islamic institutions.

Drivers who come to the army checkpoints outside of Hebron find two lanes of traffic. One is for Arabs, who usually must wait in line for their papers to be checked. The other is for Jews, who are waved through by soldiers. Arabs in Hebron who want to go to Jerusalem must apply for a permit from the military. Jews are allowed to cross from the territories to Israel without permits.

According to a study released last week by the Israeli human rights group Biselem, Jewish settlers have been given only light sentences for killing Palestinians in the West Bank and Gaza Strip. Of 48 cases in which Palestinians were killed by Israeli civilians from 1988-92, the study found that only a quarter of the Israelis ever went to trial and that only one was convicted of murder.

In the military courts, Palestinians face laws carried over by Israel from the previous British and Jordanian administration, and to these are added more than 1,300 Israeli military orders. According to Kenneth Mann, professor of law at Tel Aviv University, the evidence in military court is presented to the judge, and often kept secret from the defendant. As a result, Palestinhaving to annex all the Arab lands in are regularly given sentences it occupies. "What they've done is based on evidence they do not have

# U.S. Holds Useful Talk a historic expansion in the world's exchange of With Arafat In Tunisia

TUNIS - Dennis Ross, the U.S. Middle East peace process coordinator, emerged from talks with the PLO leader, Yasser Arafat, on Monday saying the meeting had been "useful," but PLO officials said there had not yet been a break-

A PLO Executive Committee member, Yasser Abed Rabbo, said after the meeting that no agreement had been reached on implementation of last week's Security Council resolution on protection for Palestinians in the occupied territories.

Mr. Abed Rabbo also said there had not yet been any breakthrough in talks on Monday with an Israeli team that is seeking to renew talks with the PLO on Palestinian selfrule. The PLO halted the talks after the Feb. 25 Hebron mosque massa-

Mr. Ross, speaking after a two-hour meeting with Mr. Arafat, said talks were to resume later in the day, Mr. Abed Rabbo said talks with the Israeli team would also resume later in the day.

In the occupied territories Monday, shots were fired at an Israeli bus traveling to a West Bank settle-

unknown, but Muslim groups have

vowed to avenge last month's mas-"Near the village of Bir-Zeit, shots were fired from an ambush on the left side of the road towards the front of the bus," said Yehiel Hamdi, secretary of the Jewish set-

driver was also seriously wounded. and both were evacuated by ambu-

lance to a Jerusalem hospital. Three other passengers were settlement, settlers and security

# TARIM: Worldwide Hunt Leads Oil Prospectors to China's Savage Sands

goods, services and capital.

With so many new areas opening at once, Western multinational corporations are moving to exploit large stocks of natural resources that had been unobtainable for decades. At the same time, for many countries in the developing world, the exploitation and export of natural resources is offering the quickest and easiest way to join the world trading economy.

Yet some people working today on the new trading frontiers are more worried than bullish. Some fear that rapid integration of so many newly free economies is undermining standards of living established in the West during the Cold War period, by exposing affluent workers to competition from poorly paid labor in the developing world. Others worry that the global opening is resulting in too much new oil being pumped, too many new mines opening and too

much new manufacturing. World trade in fuel and metals totaled \$875 billion in 1992, or about 12 percent of the total merchandise crossing national borders, according to World Bank figures. The percentage is much greater outside North America and Western Europe. Fuel and metals account today for about 30 percent of Latin America's exports, 35 percent of Eastern Europe's and 65 percent of Africa's, according to statistics from the General Agreement on Tariffs and Trade.

As the world's economic doors open, Western natural resource companies are leading the charge across the thresholds.

In the oil industry, Chevron Corp. has signed a \$20 billion, 40-year deal in Kazakhstan, Penn-

zoil Co. and Amoco Corp. are drilling off the Azerbaijan coast in the Caspian Sea. British Petroleum Co. is sinking new wells from China's shores to Colombia's jungles. French oil explorers are swarming over West African off-

shore fields. Richard H. Matzke, Chevron's vice president and head of its overseas exploration and production arm, estimates that half of the potentially oil-bearing sedimentary basins of the world were previously closed to foreign investment by countries that have now opened their

China offers a compelling case of what is at stake on these new oil frontiers. "Petroleum is critically important to China, and that's why Tarim is so important," said Albert Keidel,

economic consultant to the World Bank.

No country in the reforming global economy is more vital than China. It absorbed about half of all new cross-border investment made in the world last year. Its domestic economy grew last year an estimated 12 percent, the second straight year of double-digit growth. Many economists expect China's economy to

double in size before the year 2000, and China needs oil. In 1985, China was Asia's biggest crude oil exporter. This year it is expected to become a net importer. Indeed, China could be importing as much as 1.7 million barrels of oil a day by the turn of the century unless it makes major new discoveries, according to David Fridley, an oil analyst.

China has moved to meet this challenge only recently. Its long march to Tarim with Western oil partners - a program now in early but vigorous stages, and involving most of the world's largest oil multinationals - had to be reserves.

postponed for decades while China seesawed through various ideological development strat-

By the 1980s, however, trouble was brewing behind the Chinese National Petroleum Corp.'s showcase of Communist self-sufficiency. Only three fields produced the bulk of China's oil, and all three were nearing peak production, meaning total output would soon decline. At the same time, energy consumption climbed alarmingly: China doubled its gasoline use between 1980 and 1988.

These developments led to a leap in thinking. Beijing decided in the early 1990s that it had no choice but to open its onshore oil industry to outside explorers.

The richest target for joint enterprise, the Tarim Basin, is almost as big as Texas, yet it is as remote as remote can be. Situated within the Central Asian province of Xinjiang the oil exploration area is bordered on the south by Tibet. To the west lie Pakistan and the former Soviet republics of Tajikistan and Kyrgyzstan. To the east is the relatively sparsely populated Chinese republic of Qingha.

The pipeline carrying the oil out will have to travel to the east, making a 2,400-kilometer (1,500-mile) journey clear across China to the country's more populous and industrialized eastern seaboard.

Chinese geologists have estimated that the geological reserves of the basin could be as much as 74 billion barrels of oil and 283 trillion cubic feet (7.9 trillion cubic meters) of natural gas. If true, that would be three times the remaining U.S. proven oil reserves and nearly twice the remaining U.S. proven natural gas

# NETWORK: U.S. Firms Seek to Lift Satellite Links Into a New Orbit

Continued from Page 1

ment north of Jerusalem, wounding telephone companies. Beyond that, it will retwo passengers seriously and three dightly, settlers and police said.

The identity of the gramen was would come the technical challenge of building a huge system unlike anything now in existence. Mr. McCaw, 44, is chairman of McCaw Cel-

sacre of worshipers in a West Bank mosque by a Jewish settler. lular Communications, America's biggest cellular telephone company, with \$2.2 billion in annual revenue. A strong believer in wireless communications, he defied skeptics and borrowed billions of dollars during the 1980s to build cellular systems around the country.

Last year, he agreed to sell his company to tlement of Ateret, where the bus American Telephone & Telegraph Corp. for \$12.6 billion. If the sale is completed on sched-He said one woman from the ule this year, Mr. McCaw will emerge with settlement was shot in the lung and roughly \$1 billion of AT&T stock. He apparwas in a serious condition. The ently means for Teledesic to serve as the next act in his business career.

Mr. Gates, 38, dominates the computer-software industry as the chairman and chief executive of Microsoft. With \$4 billion in sales, lightly wounded and treated at the Microsoft dominates sales of computer programs that govern the basic operations of IBMcompatible personal computers.

It is also a leading provider of applications software — word processors, spreadsheets, games and the like — for International Business Machines Corp. computers as well as the Macintosh computers made by Apple Computer Inc. His net worth is estimated at \$4 billion.

Mr. McCaw is chairman of the new company, of which he and Mr. Gates each own about 30 percent. Mr. Gates will hold no executive position in the company. McCaw Cellular will own a little less than 30 percent, and its stake will be transferred to AT&T when McCaw is sold. AT&T's future role remains unclear.

Neither Mr. McCaw nor Mr. Gates could be reached to comment.

As envisioned, the new fleet of satellites would be placed in what is known as low-earth orbit, about 435 miles (about 700 kilometers) above the Earth. Circling the globe from pole to pole, these spacecraft would be far closer than traditional "geostationary" communication satellites, which keep pace with the Earth's rotation from positions 22,300 miles above the Equator so that they remain over the same spot on Earth at all times. The proposed system bears some resem-

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conversations and linking people with laptop computers. The Teledesic system essentially sacrifices this mobility and would require people to re-

blance to the Iridium project. But that system is

to provide the satellite equivalent of a cellular

telephone link, good for carrying mobile voice

main at a fixed location as they communicate. In exchange, it would offer much more capacity, or "bandwidth," so customers would be able to link computers over worldwide networks. beam X-rays or other medical images or carry on two-way video conferences.

The most astonishing feature of the Teledesic system is the huge number of spacecraft it would employ. Each of the 840 satellites, which would be launched over several years, would be about four meters long and one meter wide and would be launched in clusters of as many as eight at a time. Once in orbit, they would circle the Earth along 21 separate orbital paths, to cover about 95 percent of the planet at all times.

Before anything goes into orbit, however, Mr. McCaw and Mr. Gates will have to raise a lot of money.

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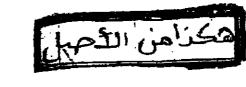
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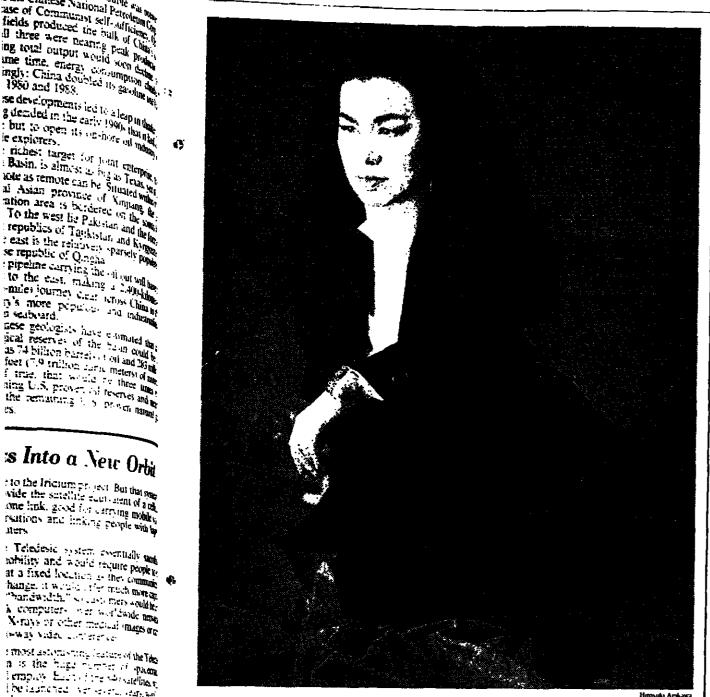
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Eiko Ishioka, an Oscar-winning designer, refuses to "stay in the same place."

# Dressing Up the Movies

By Andrea Fornes

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(HWEN VIOLENCE OF STORY)

OKYO - Eiko Ishioka feels as though her eyes are becoming blue. The Japanese designer, who won the Oscar in 1993 for best costume design in Francis Ford Coppola's movie "Bram Stoker's Dracula," is coming to a new understanding about her country.

"I am becoming more like a gaijin," she says, using the Japanese word for foreigner. "I used to get upset with foreigners because they couldn't look at modern aspects of Japan, Now, like them, I spend my time and money with Kabuki, shiatsu, ikebana, temples, tea ceremony and onsen [hot-spring

Ishioka lives in Japan half the year but does most of her work abroad, where, she says, there are more talented film and stage directors. "I love the challenge to collaborate with very important people because I want to study more and more. Of course, I have had offers to work as a set and production designer for Japanese, but when I've considered the director and the story I've said: 'I'm sorry but I don't want to do it.'"

The development of Ishioka's alien perspective got its start in 1983 when she worked as a production designer for "Mishima," a film about the Japanese writer Yukio Mishima that was directed by Paul Schrader and produced by Cop-

"It was a disastrous experience. I started to hate this country. I saw the negative character of Japanese." Ishioka said Mishima's widow, along with Japanese journalists, movie directors and rightists, had worked to prevent the film's being shown in Japan. "At the time I felt ridiculous, I felt Japanese people were dead." Fortunately, Ishioka's rebellion

against her homeland coincided with the release of "Eiko by Eiko," a collection of her works as a graphic designer. The book, published in English and Japanese, extended her reputation to America and Europe.

it showcased her best creations, including campaigns for the department store Parco that featured Faye Dunaway and Dominique Sanda, as well as Japanese posters for Coppola's "Apocalypse Now" and the cover of "Story," a sixrecord album of Miles Davis's music. The book also included posters for Issey Miyake's fashion shows and package designs for Japanese

Calls started coming in from abroad. "Some of the producers and directors had enormous courage to hire an outsider like me," she

Ishioka formed a close bond with Coppola, who like herself, refuses again and again the same thing." Coppola had similar praise for her designs for "Dracula." "By bringing in Eiko I knew I was insuring that at least one element - the costumes, which were so important in my scheme of the production would be completely atypical, absolutely original and unique," he said in the book "Coppola and Eiko on Dracula."

Coppola's appreciation of Japanese culture was based on familiarity with Kabuki, Noh and Buuraku, she said. Nonetheless, he embraced the designer's work, even though it was only abstractly related to these traditions

Why did Francis want to get Eiko?" she began, using the third-person voice maintained throughout an interview. "He explained to foreign journalists he wanted Eiko to get the Kabuki style. But I never felt I could develop the Kabuki style. I developed Eiko style. Once we started working together he never asked me to create Kabuki

style." N a way, though, what Ishioka delivered was Kabuki. where, as Coppola describes, "Each element comes forth to tell the part of the story that it is best suited to tell." In "Dracula," development of the characters is reflected in the costumes, which turn from inno-

cent to evil as the story progresses. Ishioka's work had won critical xlaim even before "Dracula." She received a Grammy for the best album design for Davis's 1987 record "Tutu."

In 1988, her scenic and costume design for "M. Butterfly" at the Eugene O'Neill Theatre in New York also won several awards. After receiving the Oscar, she got

invitations to work in four Hollywood productions but turned them all down. "They were all similar and very superficial work by people who

don't understand my deep core," she said. They thought I could design costumes for horror or ghost movies like 'Batman' and 'The Addams Family.' But I refuse to be labeled. I always want them not to understand who Eiko is." She likes to confuse even her

friends, refusing to disclose her age

children. The only personal information she offers in an interview is that her

most recent project has been to organize an office, described as cluttered with books and sketches, to "stay in the same place, to try and that her free time has been spent visiting museums and dining with friends.

Among the proposals she is evaluating are two American film projects, three stage productions and two books, one an essay about her life and the other a collection of recent works.

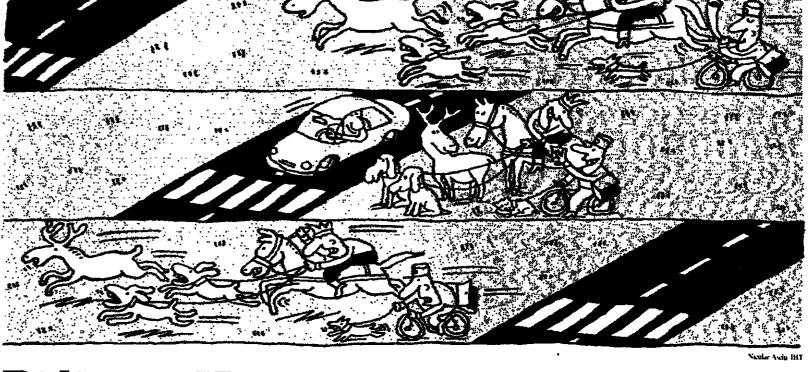
and whether she is married or has

She is also preparing for several

"Japanese invited me to lecture. to hear how I became internationally known as a Japanese artist. But they have the freedom and the money to do the same, so why don't they?" she asked. "Perhaps one reason is that they

are not hungry. But I am hungry and angry most of the time, and that makes me stronger, more creative and passionate."

Andrea Fornes is a Tokyo-based



# Riding to Hounds: Jewelers and Mailmen

By Jean Rafferty

ARIS - The echo of a hunting horn in the crisp forest air, the glimpse of a graceful stag leaping through the underbrush, the baying of the hounds and then the flash of redcoated riders in hot pursuit. To the weekend promenader, riding to hounds, known as chasse à courre in France, may seem as anachronistic as the ancien régime, when stag hunting was a royal privilege.

The reality, according to the French sociologists Michel Pinçon and his wife, Monique Pincon-Charlot, is very different. In their recent book, "Chasse à Courre," they say that after a three-year investigation they found that, far from being a pastime indulged in by a few, the hunt has never been more popular nor possessed a wider following. Not all hunting aficionados are hunters; the Pinçons report that an estimated 50,000 people in France are regular observers. The Pincons also came to defend a sport that is highly controversial.

"We went from surprise to surprise," says Monique Pinçon. "The first was the social mix: dukes and bankers with street sweepers and postal workers. The two extremes of society that have everything separating them come together deep in the forest united by a mutual passion for the hunt." She adds: "It is a social situation rare enough to interest the sociologist." The Pinçons decided to study the chas-

se à courre while working on two previous

books, investigations of smart Parisian neighborhoods.

Outlawed in Germany and Denmark, violently contested in Britain, the chasse à courre came close to being banned in parts of France 10 years ago.

The Pinçons began their investigation believing "what everyone told as, that the hunt is practically finished." They found, however, that the hunt is thriving, with the number of registered hunts up from 218 in 1914 to 381 in 1991. Twice a week from October to the end of March, almost 60,000 French men and women head for the forest to hunt with a pack of hounds. The most glamorous equipages, dressed in jackets of their hunt colors and mounted on horseback, hunt the stag to the trumpet of hunting horns. Others pursue female deer, foxes, wild boars or hares on horseback, by bicycle or on foot Hunting stags is the most expensive, not

Bonnelles, which hunts in the Rambouillet forest west of Paris, was 22,000 francs (about \$3,800) a year in 1993. Add 15,000 to 30,000 francs for a saddle horse plus almost 3,000 francs a month upkeep, along with 15,000 francs for riding equipment and wardrobe and it's not surprising that Bonnelles members have names like the perfumer Guerlain. Hunt master Alain Dauchez is part of the Mellerio dynasty, Parisian jewelers since 1516.

surprisingly. Members' subscription to the

Hunting hares, on the other hand, is done on bicycle or foot with fewer dogs and a lower annual subscription (about 2,500 francs), and it is among the hunts of smaller animals that the major expansion

The Pinçons, who attended more than 50 hunt meetings, discovered a rarefied world of ritual. An insider's vocabulary, the code of the hunting horn fanfares and strict rules of hunt courtesy (there is a protocol guide to help neophytes) bind members (called boutons for their distinctive hunt buttons) and followers into a close-knit circle of initiates.

They found that one of the choices hunts, the Bonnelles, attracted a large number of devoted and knowledgeable onlookers, since following the event is free. Riding to hounds, say the Pinçons, "is doubtless the only form of hunting where. as long as he doesn't hamper the work of the pack, every spectator is welcome." Bonnelles' followers range from postmen to professors, nurses from the nearby hospital to Paris taxi drivers. "After the hunt, everyone speaks to everyone else," says Dauchez. "It's a wonderful chance to meet."

And when followers are bunt connoisseurs like the Rambouillet postman who appears in the book as Gérard Cavalade, they find doors open socially all over the bunting world. "You are a member of a family, recognized as a part of the hunt," be says. "When I visit small hunts in the country, I'm greeted as if I were the president of the republic!" In the morning before the meet, the mas-

ter scouts the stag to be hunted by "working the woods." With a specially trained silent dog, he picks up the trace of a suitable stag, determining the sex and age of the animal by only a hoofprint, perhaps, and a broken branch. "It's an extraordinary moment, there is something very mysterious and impressive how he can read the earth and between the leaves where I see nothing. says Monique Pincon.

HE hunters then rendezvous at a clearing. After a report on the animal's whereabouts, a "Bienaller" or "Let's Go" is sounded on the horns, the pack picks up the scent and the hunt is on. "It is difficult to explain that one loves

the animal and one kills him," says Cavalade. Dauchez points out that the culling is strictly controlled. "We have a quota, between 25 and 30 out of 600 stags."

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The drama being played out in the forest is the drama of life," says Monique Pinçon. "The idea of nature includes life and death. In our society, death has been pushed aside, one musm't speak of it. Even in our food, there is no trace of the living animal, just fish fingers, pieces of chicken wrapped in plastic. Our society is very hypocritical about death. Death by car accidents doesn't shock at all, but death in a hunt provokes a violent senti-

Like many of the friends postman Cavalade has introduced to the hunt, the Pincons seem won over to the cause. "The chasse à courre couldn't be more contemporary," they say. "It is traditional, but full of vitality."

Jean Rafferty is a Paris-based journalist who specializes in design and lifestyle.

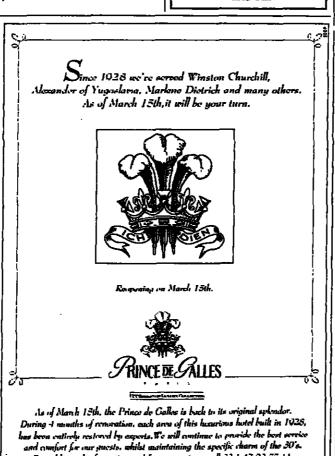
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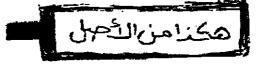
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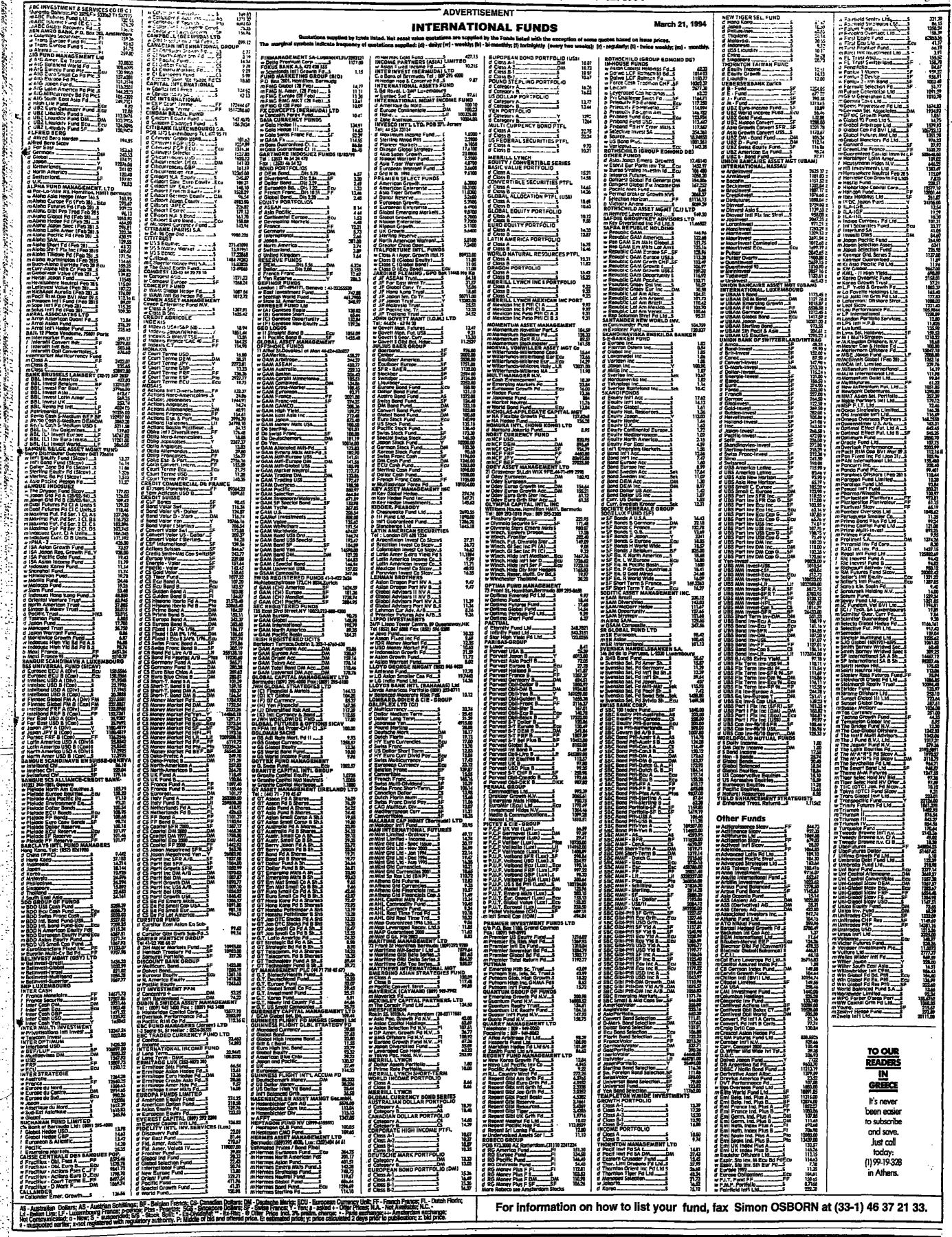
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# Latin America A New Investment Partner

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With economic growth running at 8 percent annually, Malaysia is quickly gaining ground among Asia's developing economies. Current estimates predict that the per capita income of Malaysians, who currently number 18.4 million, will increase eightfold in the period from 1990 to 2020.

# FAST-FORWARD FOR ECONOMY

economy expanding at a steady clip, is confident of catching up with the industrialized West by the year 2020.

Once a splendid mansion, the Coq d'Or on Kuala Lumpur's Jalan Ampane

Lumpur's Jalan Ampang boulevard is favored by those who rate restaurants on atmosphere, not cuisine. Six years ago, so deep was the recession that some nights one could dine in this

The deht-service ratio is only 2.4 percent

palatial canteen all alone. These days, patrons must book or stand in line - and sometimes both. The recession over, Malaysia has sped into prosperity.

Turning up late for a re-cent lunch date at the Coq. a business tycoon jumped out of his Jaguar and offered this excuse: "Sorry, it's the traffic - a side effect of our success." That just about sums up Malaysia in 1994: a country with growing pains, but confident that its Such assuredness is under-standable, given Malaysia's debt. is only 2.4 percent. record. "You can't argue against success - and it's our success that makes us so confident about the future," says Kuala Lumpur businessman Lim Kok Wing.

Malaysians are so confident that they have set themselves the goal of becoming a fully developed country by the year 2020. The way to get there is to achieve an average annual growth rate of 7.5 percent for the next 30 years. Easy, say those who drafted Vision 2020, a national mission statement issued in 1991. If the vision comes to pass. Malaysians will be four times richer in 2020 than they are today.

So far, things are going swimmingly for Vision 2020. Economic growth, lation density is one-quarter above 8 percent for the seventh year running in 1993. that of Singapore and half that of Thailand.

alaysia, its should hit 8.2 percent this economy ex- year. The rate of inflation, expected to be held below 4 percent again this year, will show once more that the government has mastered the difficult trick of keeping prices steady in a fast-expanding economy.

If, as expected, the current account of the balance of payments registers a healthy surplus this year, claims that the economy has been allowed to overheat will again be proven false. Says a se-nior Finance Ministry official: 'If we pushed the right levers, we could make the economy go even faster. But what we are after is sustainable development. We believe we are achieving that with a growth rate of 7.5 percent to 8 percent."

Some still worry about economic machismo: Is Malaysia risking everything it has achieved in a desperate gamble to catch up with the West? Nonsense, say the pundits at the Finance Min-istry. If proof of Malaysia's prudence, indeed conservatism, is required, it is there on the balance sheet. Central bank reserves are larger than

the country's foreign debt. The debt-service ratio, which measures the value of progress is unstoppable. annual exports against the considers it could be adapt-This compares with the 20 percent that the World Bank says is acceptable for a fastdeveloping economy like Malaysia's. Little wonder that bankers engage in a mad scramble on the few occasions that the government

asks to borrow money. What is the secret of Malaysia's success? Being at the epicenter of the world's most dynamic region helps: Malaysia is the only member of the Association of South East Asian Nations that shares a border with all the rest - Brunei, Indonesia, the Philippines, Singapore and Thailand. Having lots of space and plenty of natural resources also helps; Malaysia's popu-

Mix potent comparative advantages with clever government policies and you have an unbeatable formula, says Mahathir bin Mohamad, prime minister since 1981. He likes to put it this way: Wages may be lower in other countries, but the kind of political stability and predictability of government policies in Malaysia is something that most other

countries cannot offer." Investors like low wages. but they like stability and predictability better. Malaysia, a country with just 19 million people, has become a location of choice. According to the World Bank, between 1989 and 1992, the country attracted \$12.1 billion in foreign direct investment, the thirdhighest rate after China and Mexico.

Malaysia is not an easy country to manage. With Malays making up 60 per-cent of the population, Chinese 30 percent, Indians 10 percent and all major religions represented, it could be a volatile mix. But the country's peculiar brand of race-based politics has taken hold. In fact, so successful has the Malaysian model been that the World Bank

ed for use in South Africa. Some call Mr. Mahathir's political style "soft authoritarianism" and some call it "hard democracy." Whatever it is called, his brand of strong government goes down well with the electorate. Through regular and democratic elections, the same government has held power since independence

in 1957. Within the next 18 months, there must be a general election. The ruling National Front is a coalition of Malay. Chinese and Indian parties that Mr. Mahathir's United Malays National Organization (UMNO) dominates. The coalition is tipped to improve on the two-thirds majority in Parliament it won in the 1990 poll.

We will do better this time, because the leadership question within UMNO has

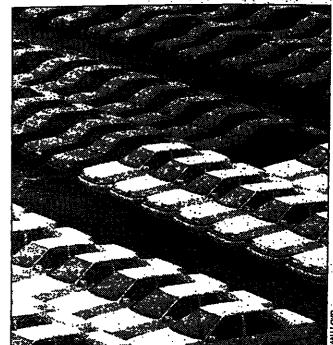


# Malaysia's Changing Face

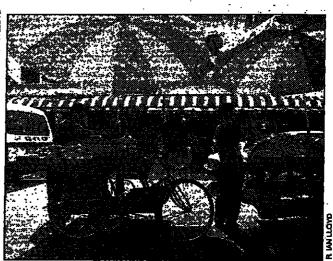
In 1970; 26.8 percent of Malaysia's population lived in uzban areas. By 1992, this figure had increased to 45 percent. • Malaysia's estimated urban

par with Indonesia, but slower than China and Cambodia.

\*Infant mortality decreased from 16.5 percent in 1985 to 12.5 percent in 1990. Only Singapore has a growth rate for 1990-95 is 4.3 lower rate among South percent, faster than India and on a



The growth of white-collar jobs and a thriving auto industry are supplanting Malaysia's traditional agricultural economy.



been resolved," says Mr. Lim. Late last year, in a noholds-barred contest, Finance Minister Anwar Ibrahim became Mr. Mahathir's understudy at UMNO. This made the 46year-old former student leader his country's deputy vorite to succeed Mr. Mahathir, a 69-year-old former

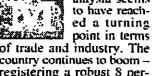
country doctor. The way others see it, stability is what you get when you handle the economy properly; it is a result of good economic management rather than a prerequisite for it. "An open economy, that's the key," says Tan Keok Yin, the chief executive officer of the Federation of Malaysian Manu-

Malaysians are happy to discuss the reasons for their success, to weigh this factor against that one and argue about strong government versus liberal democracy. A pleasant place for debate is the Coq d'Or restaurant but leave lots of time to get

Sid Astbury



# INCREASED AUTONOMY FOR TRADE SECTOR



ed a turning point in terms of trade and industry. The country continues to boom registering a robust 8 percent growth in gross domestie product last year - but

Companies urged to launch their own consumer brands

can no longer rely on external catalysis to stoke manufacturing and export growth. Ratidah Aziz, the minister of international trade and industry, recently announced that due to numerous factors, "large waves" of foreign investment in Malaysia were a thing of the past. As a result, domestic investment will have to play a more prominent role in the coun-

alaysia seems try's economic future. New investment in manufacturing fell by over 50 percent last year, to about \$5 billion. There was also a fall in the number of new manufacturing projects, from \$74 to 653. In terms of origin, the United States was the top investor in 1993 with \$670 million in proposed investments, followed by Japan (\$630 million) and Taiwan

(\$360 million). The money is going into a wide range of export products, including processed foods, computers and electronics, furniture and other wood-based products, chemicals, auto parts, building materials, boats and marine equipment, steel and other metal items.

The decline in foreign investment is expected to continue for the immediate future because of weak economies in the industrialized world and severe com-

This advertising section was produced in its entirety by the supplements division of the

International Herald Tribune's advertising department. • Sid Astbury is the Asian Business magazine correspondent for Malaysia. • Christine Hill is a free-lance writer based in

Southeast Asia. • Julia Clerk and Joseph R. Yogerst are free-lance writers based in Singu-



consumer items.

petition for investment from other Asian nations, including newly emerging economies like Vietnam and Chi-

Industry experts say that the worldwide trend toward the implementation of trade

blocs could also affect investment flows, especially if the North American Free Trade Association becomes successful.

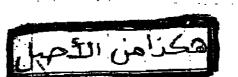
Although it may be too early to tell, the investment decline seems to have had little effect on trade. Malaysian exports totaled about \$40 billion in 1992 and an estimated \$44 billion

Continued on page 13

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# MALAYSIA

# DOMESTIC MANUFACTURING SEEKS A HIGHER LEVEL

ssembling products for outside interests has 🚅 brought in a lot of business, but Malaysia is products brings in even

Manufactured 200d account for 70 percent of exports

you mean the Tin Mine of cotheque at the Kulla Lumpur Hilton, Nowada, the Hilton's basement right spot sees more action han most of Malaysia's nies. So rapid has been the fil of the once-mighty tin-ning industry that its counts on the Kuala Lumpur Sto. Ex-change are mostly enny stocks.

King Tin's dramac tumble taught Malays a les-son: Even for a work-champion producer, refince on primary commodies like tin. palm oil. timb∉and rubber can be catastriphic. Because commodity rices gy-rate between high and lows, economies that epend on them seesaw thrugh booms and busts. To chieve resilience, divenfication is necessary.

This is what lalaysia did after committy prices plunged in it mid-1980s. dragging the buntry into its worst recessin since independence fem Britain in 1957. The conomy was opened upo foreign investors, wo were given handsome centives to set up factorie to make producis that ould be sold abroad.

The resits are stunning. Manufaduring now contributes 0 percent to the gross dimestic product.

es. One-quarter of the cent of Malaysia's GNP, ork force is in manufacturfig. up from 15 percent 10 Jears ago. Manufactured exfinding that making its own forts now account for 70 bereent of total export receipts, a figure that should

Mention "tin mine" to rise to 78 percent next year. many corporate types in the Malaysia is now a manu-capital, and they will think facturing powerhouse that also is famous for timber, rubber and tin. It is also the world's largest producer of palm oil.

> Malaysia's transformation from colonial outpost to manufacturing nation becomes apparent on the drive from Penang's international airport to George Town, the capital of this bustling state on the northwest coast of the Peninsula. The names that flash by read like a Who's Who of the electronics industry: Intel, Motorola, Hitachi, Hewlett-Packard. Thomson, Conner, Advanced Micro Devices - all have huge operations in Penang, Malaysia's Silicon Island, Electronics is the country's biggest manufacturing industry and Malaysia the world's largest exporter of semiconductors.

Across Malaysia, 200,000 people are employed in the electronics industry, and the industry has made Penang its home. "Acer has more than 10 offshore plants, including ones in the United States, Europe, Australia and Japan, but Penang is still our best site," says Stan Shih, the chairman of Taiwan's Acer Inc. Acer's Penang plant makes 2 million color monitors a year. Just as the country has

been transformed, so have its companies. Sime Darby is an example. Once a sleepy plantations company, it is now a Kuala Lumpur-based regional multinational with 200 companies in 21 countries and 32,000 employees.

ice as much as agriculture. Its assets equal about 5 per-

Ahmad Yahya, Sime Darby's deputy executive chairman, bridles at the notion that the country's biggest company has lost interest in plantations, "It's not really true. We have the same acreage now as when I joined the company. Plantations are 10 percent of the profitability of the group, compared with 65 percent before. It's the buildup of The full impact of the other businesses that has coined this phrase 'diversifi-

> cation. Sime Darby the plantations giant is now running a travel agency in Hong Kong and a resort in Florida, distributing bicycles in Australia and condoms in Britain, selling insurance in Thailand and making tires in the Philippines, "We are taking steps to ensure the Sime Darby name will be more well-known internationally," says Nik Mohamed, Sime Darby's 44-year-old group chief executive. Last year, Sime Darby

opened a 37 million ringgit (\$13.5 million) tire technology center. Lots of Malaysian companies are taking similar initiatives. They must do so - Malaysia is becoming a victim of its own success. With more jobs than workers, wages are rising fast. Malaysia is no longer an ideal location for labor-intensive, assemblytype manufacturing operations. For their survival, Malaysian companies must master the latest technolo-Famously forthright, Rafi-

dah Aziz, the minister for international trade and industry, puts it this way: "The time has come to take domestic manufacturing to a higher level. We have to develop Malaysian capability in the more complex stages of technological advancement. By this I mean innovative technology, design and engineering technology."

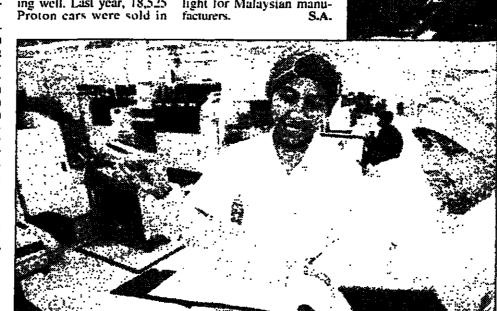
Welcome to Proton, the maker of the national car and a robust example of a local company that has triumphed in a high-technology field. Last year, Proton sold over 88,000 cars in Malaysia – 10 times the volume of its nearest rival. On home turf, it has an astonishing 73.5 percent of the mar-

Abroad, Proton is also doing well. Last year, 18,525 Britain, giving the company I percent of one of the world's most competitive car markets. Britain is Proton's best overseas market, with over 70,000 units sold. "Now we are in the first stage of planning for France. Germany and Belgium." says Mohamad Nadzmi,

A decade ago, Proton was scorned as an expensive ego trip for the national leadership. Now, it is a beacon of light for Malaysian manu-

Proton's young managing

director.





From consumer appliances to microchips, manufactured items now account for 70 percent of exports.

THE NUMBERS

# A LOOK AT

• In the years 1980-92, Malaysia rose from 40th to 24th on the chart of the  $\cdot$ world's top exporting nations. During the same period, it rose from 40th to 23rd on the world import

Central Bank amounted to \$22 billion at the end of 1993, double the 1991 figure.
• The total output of the 53 main manu-

facturing industries in Malaysia rose 19.1 percent in 1993,

# WITH FINANCING DEAL, THE MARKETS COME OF AGE

ate one afternoon in September 1992, the electricity all over peninsular Malaysia went dead. Francis Yeoh, the managing director of YTL Sdn. Bhd., a local infrastructure company, sensed a business opportunity. The

Æmala<u>ysia</u>

Malaysian economy showed every sign of continuing its five-year record of 8 percent of higher annual GDP growth, but unless the need for massive amounts of new power generation were addressed, the country's phenomenal growth would grind to a halt.

Within a few months. Malaysian government and business had found the answer. Independent Power Producers (IPPs) would build power plants and sell the electricity generated to the national power carrier. YTL obtained equity in two stations which, when completed, would produce

The deal was called the financing model'

1,212MW of power, the equivalent of 20 percent of the country's present elec-tricity demand. The projected cost was more than \$1.2 billion – an amount equal to 2 percent of Malaysia's 1993 GDP.

Teo Kok Lim, an equities

analyst for Baring Securities (Kuala Lumpur) refers to the deal that ensued as "the coming of age of the Malaysian capital markets." The deal proved that the domestic banks could handle long-term project financing on a non-recourse basis and without a government guarantee. Moreover, the deal provided a safe home for the Employee Provident Funds (EPF), a government-run program of enforced savings with funds of more than \$25 billion. According to Mr. Lim, the government had been looking for long-term investments with a guaranteed return.

Analysts have long considered Malaysia to have one of the most sophisticat-ed capital markets in the de-package, consisting of 1.6 east Asia to be funded al-

veloping world. Shares have been traded in the country for over 120 years, and the capitalization of the equity markets over the past six months has fluctuated between three and six times the country's GDP. "The market here is sophisticated enough for financial innovation rather than imitation." says Richard Hall, YTL's finance director and a former investment banker. "This deal has been called the

billion ringgit in a 15-year, floating-rate commercial loan, was oversubscribed by the local banks. Interest is pegged at 1.75 percent above the BLR of Bank Bumiputera, and 1.5 percent over the BLR after cash flow commences. One of the German underwriters of the deal arranged to buy 711 million Deutsche marks to speed up the financing. The

most entirely by debt. "When we first started looking at how to fund the project, we did a search in North America for greenfields, power projects and bonds, and could not find any precedents." According to Mr. Hall, lo-

cal financing saved YTL risk, money and headaches. Because the deal is financed entirely in Malaysian curremaining 15 percent of the rency. YTL is not exposed financing costs are to be to currency risk. Because it



Malaysia's capital market has become sophisticated enough for financial innovation.

Malaysian Financing Mod-

The deal included 1.5 billion ringgit (\$550 million) in fixed-rate, long-term debt. "That's their biggest achievement." says Mr. Lim. The 15-year bonds with a fixed rate of roughly 10 percent, issued last November, were bought by the EPF. "There are a lot of pent-up savings in the region, such as those held in the EPF, adds Mr. Hall. "But they have not found a way to channel these sayings into financing of infra-

structure until this project."

funded through equity con-tributions from YTL and its partners.

"The deal set a number of records in Malaysian finance," says Mr. Hall. "It was the largest financing package ever in Malaysia, the largest bond issue ever and the largest foreign-exchange transaction done through a commercial bank. It was the first time such a deal was put together in Malaysia guaranteed by the project, not by the govern-

Moreover, adds Mr. Hall, the YTL deal was the first greenfield project in Southwas rated by the local ratings agency. Ratings Agency Malaysia, YTL did not have to deal with the added burden of country risk, "RAM doesn't factor in country risk to its ratings, he says. "However, S&P and Moody's do. They give Malaysia a single 'A' rating, which increases the cost of financing.

But you didn't see them putting a country risk rating on the United States during the Vietnam War, when hundreds of thousands of people were marching in the streets, or during the LA

Christine Hill

# INCREASED AUTONOMY FOR TRADE SECTOR

Continued from page 12

last year, a healthy increase by any standard.

Imports hit an estimated \$42.8 billion last year as Malaysian purchases of foreign-made consumer items increased. While the government has some reason to fret over increased spending, the country still chalked up a trade surplus of \$1.2 billion.

Singapore, Japan and the United States continued as Malaysia's top three trading partners in 1993. The govemment is paying the way for even more bilateral trade with a recent pledge to fur-

effort to ensure that its homegrown products continue to gain access to lucrative foreign markets.

The government is also urging Malaysian companies to boost exports by launching their own international consumer brands instead of acting as contract manufacturers for foreign companies.

Malaysia's manufacturing sector continues to grow faster than agriculture and mining, creating 125,000 new jobs and accounting for 30 percent of gross domestic product last year. To keep

ther cut import tariffs in an the momentum going, the government has called for a "trade-up" to technology-intensive, high-revenue-generating operations - similar to what has already taken place in nearby Singapore.

The Sixth Malaysia Plan, the most recent blueprint for national development, called for \$30 billion in investments during 1991-93. Ninety percent of this figure was met. The government's goal of having a 60:40 split between local and foreign content, however, was not reached; just 43 percent of new investment came from domestic sources.

the government has decided that it will not give any special incentives and assistance to the manufacturing sector. Mrs. Aziz has said that the time has come for local manufacturers to "act on their own volition" and be motivated by the necessity to survive in the heat of international competition. rather than by government incentives.

Despite this imbalance.

In January, a trade mission to ASEAN members received pledges of \$360 million in potential investments and \$84 million in exports. Julia Clerk

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# MALAYSIA

# PRIVATIZATION GIVES NEW SPARK TO POWER SECTOR

rivate companies have the money. → ₹₹₹ and the mandate. to solve Malay-

sia's energy problems. Listed on the Kuala Lumpur Stock Exchange. now the size of Singapore's and Bangkok's combined. are the country's largest shipper, largest airline and largest port - all once govemment-owned and government-run. Also privatized are the electricity company Tenaga Nasional and the telecommunications company Telekom Malaysia and profitable." which together make up 40. percent of the capitalization

of the stock market. Malaysia is convinced that the self-off has helped it circumvent the heavy overloading of infrastructure and consequent breakdowns that plague other countries in the

determined to get out of as many businesses as possible. Why? In the words of Anwar Ibrahim, the finance minister: "It is by now evident that economic activity is better governed by market signals than by administra-tive directives. In the words of Mahathir bin Mohamad.

the prime minister: "Self-interest will ensure that utilities and other governmentowned corporations transferred to the private sector. either fully or partly, will be better run, more efficient These dictums are about

to be tested by five Malaysian companies, each with a contract to build and run power stations. Malaysia estimates it will need an installed capacity of 25,000MW by the year stalled 2020. up from 6.155MW

The government seems—now. The bulk of that will etermined to get out of as—come from the independent power producers (IPPs). Malaysia should soon

have more generating capacity from IPPs than any other country in the world. The

Analysts think Malaysia can be a top generator

way things are going, we're going to have electricity coming out of our ears. says Steven Wong, chief strategist at stockbrokers UMBČ Securities in Kuala Lumpur. Along with other analysts, he wonders whether there are even a couple of IPP projects too

Tenaga Nasional will buy power from the IPPs. It may also be obliged to let them get involved in transmission and perhaps even distribution. It views the IPPs as colleagues rather than competitors. Says Ani Arope, Tenaga's executive chairman: "We would like to create a win-win situation where every party involved will get

power generation business." Foreign companies can join in the private-power bo-nanza, but are limited to a 25 percent stake of the equity. Tenaga is also entering joint ventures as a majority

comfortable returns on the

stake holder with stateowned companies in the Associated Power Producer (APP) format. Five state governments have already signed up for APP deals. The five IPP plants ap-

proved so far will be powered by gas piped in from Malaysia's massive offshore fields. Tenaga, which only

started using gas in 1991. now relies on it for 38 percent of its fuel needs. Gas utilization is expected to nearly double by the end of the decade, mostly at the expense of crude oil.

Kuala Lumpur expects that it can generate electricity cheaply enough to supply its partners in the Association of South East Asian Nations: Indonesia, the Philippines, Singapore, Thailand and Brunei.

Analysts think Malaysia can be a top generator, too. It has lots of natural gas for fuel, the ability to raise capital for plants cheaply and, after its first flush of IPPs, the management and technological capability.
In terms of foreign sales,

its ace in the hole will be Bakun, a proposed hydroelectric scheme in the East Malaysian state of Sarawak.



New power plants will be supplied by gus piped in from Malaysia's ffshore fields.

The contract for this \$5.5billion project was awarded in February to Ekran, the listed flagship of local fi-nancier Ting Pek Khiing. It is Malaysia's largest priva-

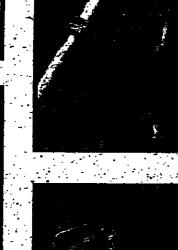
tized power project to date possibly the largest in the

Bakun involves the clearing of around 200,000 acres (80,000 hectares) of forest to

mae way for a dam and a 2,50MW power plant deep in the heart of Borneo island. The lam will stem the Rejang liver, creating a lake

# MALAYSIA EVERGR

managing for perpetuity







alaysia is proud of its rich heritage of forest.

Malaysia's forest management, which began in 1901, is second to none among tropical countries and has succeeded in maintaining a high percentage of Malaysia's land under forest, much more than even most developed countries.

Malaysia values its forest; not only for the benefits derived from commercial logaina. downstream processing and extraction of non-timber produce, but equally for its ecological and environmental protective role. Aware that sound forest management is vital, Malaysia has striven to strengthen sustainable forest management, policy-wise and imple-

Malaysia is well on the way to fulfilling the objective of sustainable forest management on the basis of ITTO (International Tropical Timber Organisation) guidelines through:

strong commitment by the Malaysian Government, Federal and State, to manage the forest for present as well as future generations;

progressive improvement of forest services and strengthening R & D, through the Forest Research institute of Malaysia (FRIM) which is advowledged as the world's leading research organisation on tropical forest;

successful diversification of the Malaysian economy, with less necessity to convert forest land to agriculture in the future;

progress in poverty eradication, including the provision of social and economic oppor-tunities for forest dwellers, which effectively reduces shifting cultivation practices on

promotion of eco-tourism where tourists can enjoy Malaysia's extensive natural forest, national parks, wildlife sanctuaries and nature reserves.

Forest Is Forever And Malaysia Forever Green. Wälder zu allen Zeiten Ein immergrüner malaysischer Wald. La forêt demeure et la Malaisie est verte à jamais. Bossen blijven voor alle tijden, Maleisië blijft voor altijd groen.

さり 森は永遠、マレーシアは常緑

# AIR CARRIER PLANS GLOBAL PRESENCE

dustry is currently in the midst of major changes, developments that will greatly improve passenger service and scheduling both at home and abroad.

At the forefront of the changes is Malaysia Airlines, the national carrier, which has embarked on an aggressive expansion and improvement scheme, part

> New routes to Osaka and **Buenos Aires**

of the company's overall drive to become a "global airline" by the year 2000. Two years ago, the airline announced the largest and most expensive aircraft modernization program in aviation history, a venture that will eventually cost

its international route net-At the end of March, Malaysia Airlines is set to become the first Southeast Asian airline to fly to South America, with a new service from Kuala Lumpur to Buenos Aires. Two other recent additions to the route network include Rome and Cape Town. By the end of this year, it is planning to add its 58th international

destination: Osaka, Japan. The company's current five-year program also calls for increased excellence in service, in-flight facilities, ground support and infra-

structure. "We will continue to improve our products and to enhance our customer services in tandem with modem technology, at the same time taking into consideration cost control," says Zawiah M. Aruf, the airline's customer relations and media manager, adding: "This will not be at the expense of service excellence."

After living for years in the shadow of more renowned carriers like Singapore Airlines and Thai International, Malaysia Air-lines is finally starting to turn some heads. Last year it was rated best in first-class service in a survey of 31 car-riers conducted by Inflight Research Services, a Britishbased consultancy. In fact, the airline topped several categories, including cabin staff courtesy, meal presentation and meal quality, and it was also praised for the sincerity and enthusiasm of

its cabin crews.

Malaysia Airlines is also drawing plaudits for its inflight entertainment and communication services. For instance, first- and business-class passengers on Boeing 747-400 (lights have access to in-scat personal televisions with six dual-fanguage video channel, and even computer games.

In addition, all 747-400 planes offer cordless telephones - allowing passengers to communicate with any city in the world - as well as the high-fidelity sound of a compact-disc au-

alaysia's air dio system offering a wide transport in- selection (music. This i state-of-the-art

audio reprduction technology," saysAhmad Ilias B. Aziz of the ompany's technical servies department. "[It] produes an excellent signal-to-nese ratio and a dynamic audy output that is free from thenoise buildup normally encurrered by the conventional pe reproduc-

Currently te airline is evaluating a sytem known as Interactive 'abin Management, which rovides the latest in in-fligl entertainment and service including live radio and elevision broadcasts; stok-market quotations and wather reorts; games and:ompetitions; and laptop omputer and facsimile comunications as well as icoming message reception ad pag-

ng. The system would iso allow passengers the onveabout \$5 billion. At the same nience of booking c contime, it is rapidly expanding firming continuing Ights, car rentals, hotels, rstaurants and theater tikets. Computer software desonstrations and catalog 10p-

ping would be available Malaysia Airlines is Iso set to become a major plyer in the air-cargo husinss. Last year, the airline tras-ported 163,000 tons of crgo, and this is expected o increase significantly in te

Take a clos

Vou mi

theoring years.
"In view of the high GD growth of 8 percent experenced by the Malaysia economy, we are continue usly monitoring capacity semand out of Malaysia to service the growing mar-let, explains Mrs. Zawiah. Malaysia Airlines plans to make Kuala Lumpur a major cargo transshipment center in the region. A significant development will be the provision of 200 million ringgit [\$14 million] worth of warehousing facilities at the new Sepang Airport when it is completed in 1998."

The expansion drive coincides with increased competition from foreign carriers and asharp drop in company profits. The Malaysia Airlines Group posted a \$61 million pretax profit for the 1992-93 financial year, a 32 percert increase from the previous period. Profits were down sharply (96 percent), however, in the first half of the curient financial year.

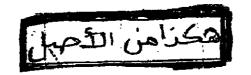
The company's chairman. Zain Atraai bin Zainal Abidin, blames the profit slump or a severe drop in passenger and cargo traffic growth racs linked to reces-sion in the industrialized countries; "Intense price competitior due to excessive capacity in the international route network and a strong ringgit further diluted yield. he explains.

Competition is set to in-crease still forther this fall. when Malaysa's second international carier, Air Asia. hearns operations with charter services to burist destinations like Istanbul and Uzbekistan. By he first quar-ter of 1995. Air \sia hopes to offer services to destinations in Indonesia, Vrtnam, China. Japan. Hong Kong and India. J.C.



THE MALAYSIAN TIMBER INDUSTRY DEVELOPMENT COUNCIL: For more information please contact: The Malaysian Timber Industry Development Council,

9B. 9th Floor Bangunan Arab Malaysian, 55, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia, Tel: 03-2323999 Fax: 03-2386376



VERTISING SECTION

经证据

**ADVERTISING SECTION** 

# MALAYSIA

# ENVIRONMENTAL APPROACH TAKES BULL BY THE HORNS

alaysia is serious about sustainable development, and Prime Minister Mahathir bin Mohamad does not mince

words about it. Small wonder that Mr. Mahathir is regarded as one of the world's prickliest politicians - he tells it like it ozone-gobbling chlorofluois. Here is what he said at the 1992 Earth Summit in Rio de Janeiro: "When the rich chopped down their own forests, built their poison-belching factories and scoured the world for cheap resources, the poor said nothing. Indeed, they paid for the development of the rich. Now, the rich claim a right to regulate the develop-ment of the poor countries."

Harsh words, perhaps but they come from a convert to the doctrine of sustainable development.
"Nowadays, if you want to interest the PM in a project. you'd better make sure it has a green theme," confides Florence Tan, the managing director of Suria Eksklusif, the company that is develop- date.

ing a \$6 billion theme park in Kedah, a state in the really treat sewage in northeast of peninsular Malaysia.

Malaysia now takes its international environmental ly. After quibbling over the terms, it will sign the Monrocarbons. After pointing out that few developing countries have anywhere near as much area under forest, Kuala Lumpur has nevertheless cut back logging and pledged that half the forest cover forever.

Malaysia is making it worthwhile for private com- came as no surprise. Mr. panies to play the leading Mahathir likes hyperambirole in environmental management. Last year, Indah Consortium was awarded a 28-year concession for the operation of the country's entire sewage system. Indah links the Berjaya Group with Britain's North West Water. It plans to spend over \$2 billion on what is the country's largest privatized project to

Malaysia," Mr. Mahathir admitted to reporters when he signed the contract with Indah. Indah is not taking over responsibilities very serious- a national sewage system; it is cobbling one together with the assorted pipes and plants it has acquired from

Indah was aware of the scale of the challenge. Before making an offer for the network, Indah picked it over for six months. "We realized then that we would have to refurbish the syscountry will remain under tem," says David Chew, Indah's managing director. The award to Berjaya

local authorities.

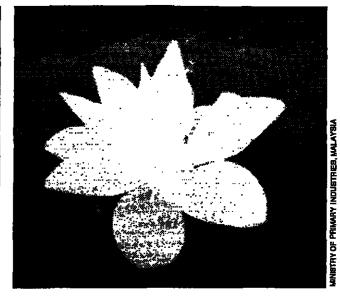
tious entrepreneurs with a can-do mentality, and Berjaya's Vincent Tan personifies the breed. "I would like to build a business like Korea's Samsung or Daewoo or Hyundai," says Mr. Tan, a 41-year-old former insurance salesman who has parlayed a McDonald's franchise into a group of 180



Also entrusted to private hands is the country's first centralized toxic-waste management facility. This \$75million project at Bukit Nanas in the state of Negri Sembilan, with its related storage and feeding stations in the regions, will be a boon

ics companies, particularly, have complained about the absence of a proper dump. They have had to store noxious substances on their premises - or ship them to toxic-waste plants abroad.

owned by Kualiti Alam, should be up and running by the end of this year. Kualiti The Bukit Nanas plant, Alam is a joint venture be-





forest remains intact and serves as a sanctuary for its

Much of Malaysia's

wildlife.

tween Denmark's I. Kruger and two Malaysian compa-nies, Arab-Malaysian Development and UEM.

Selling off environmental services, for instance sewage and toxic-waste disposal, makes good sense. In an increasingly prosperous country like Malaysia, consumers are prepared to pay for a cleaner environment. Companies like Indah Consortium and Kualiti Alam, by engineering a safer environment, can make good profits - and pay taxes to the government

Proper pricing is another principle that is making its way into the forest, driving up the value of shares in timber companies. More important, it is giving them the incentive (and the cash) to invest in state-of-the-art wood-processing plants.

To conserve the forests, the government is cutting back on log exports and logging quotas. This drives up the price of logs, encourag-ing timber companies to add the most value they can to their dwindling quotas.

Log exports, most of which go to Japan, dropped by half last year. Industry exports, however, were up 7 percent, to around \$4.1 billion - with furniture exports up one-third to \$881 million ringgit (\$326 million).

Kuala Lumpur banned log exports from peninsular Malaysia in 1985. Come 1996, it will stop log exports from Sabah. The neighboring state of Sarawak, which currently accounts for 75 percent of Malaysia's log exports, is expected to halt shipments of logs by 2000.

# HOW ONE COMPANY IS RIDING THE TELECOMMUNICATIONS WAVE

Over the last four years, Technology Resources Industries man Tajudin Ramli, TRI is cur-Berhad has grown from a small, local electronics company into one of Malaysia's fastest-growing companies.

Although it was founded nearly 30 years ago, TRI did not carepult into double-digit growth until tics and box manufacturing.

1990, when it merged with a TRT's latest venture is a 32 persmall mobile-phone business: cent stake in Malaysia Airlines, called Cellular Communications obtained last December. Mr.

rently involved in a wide variety of business ventures, including mobile phones (Celcom), heli-copter charter (Malaysian Helicopter Services), maritime shipping, property development, plas-

Network (Celcom), recently privatized by the government in a schairman of the airline in the split from Telekom Malaysia.

Despite the airline deal, com-munications is still TRI's core business. Celcom has grown phenomenally since its split from Telekom Malaysia, the national telephone company. The original target was to secure 3,000 mobile-phone subscribers during the first year of operation, but the fi-nal figure was closer to 8,000. million to cater to the expanded Within two years, Celcom was enlisting 6,000 new customers each month. By August 1993, the new customer figure had reached 16,000 per month.

ues to expand at a brisk pace. As a result. Celcom has accelerated its capital investment program, already in excess of \$312 million. Some \$117 million was set aside. for new capital expenditures in 1994, but management is looking at new numbers in excess of \$195 customer base and implement new services.

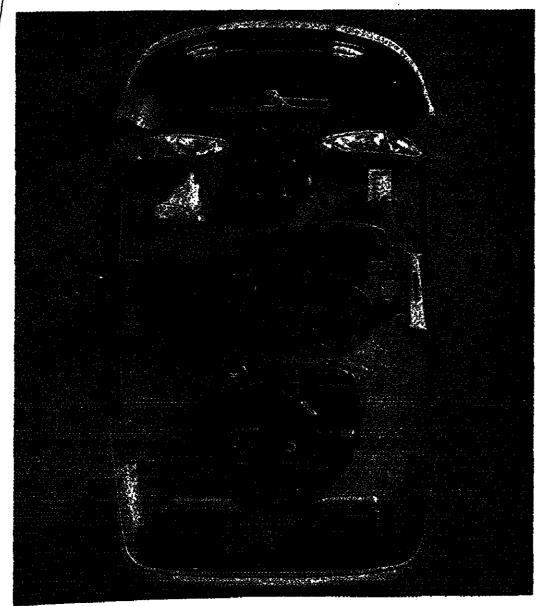
By the end of last year, Celcom had more than 200,000 subscribers - more than two-thirds of

Mobile-phone demand contin- the Malaysian mobile-phone market. The company forecasts 350,000 customers by 1996 and one million by the turn of the cen-

TRI is also expanding overseas. In 1992, the company launched a joint venture with Cambodia's Department of Post & Telecommunications to develop a national cellular communications grid. With a 70 percent stake, TRI estimates that it will invest \$30 million in the Cambodia project.

Joseph R. Yogerst

Take a closer look at our new models and you might notice the 'green spots'.



Closer scrutiny will reveal that our Proton cars are designed for outstanding performance, comfort and improved safety. But while we make our cars safer for you, we also believe they should be safer for the

environment. These green spots are a serious concern of ours in making our cars more environment-friendly. That's why it has led to these improvements:

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So while it may be fast becoming a global concern, at PROTON, 'green' has become part of our corporate character.

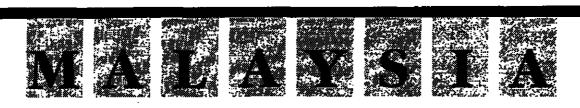
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# **COMMUNICATIONS** SEES HIGH DEMAND

economies in Southeast Asia. the telecommunications industry in Malaysia is booming, barely able to keep pace with surging demand among

both business and home

Across the board, Malaysians are hungry for more telephone technology and better communications infrastructure. The challenge to convey voices and data is even greater in Malaysia than some neighboring states because of the vast distances involved and because much of the country is covered with forest and

catching up fast. Following the privatization of Telekom Malaysia in 1987, the government has continued to liberalize the industry, allowing for the introduction of competition in all segments of telecommunica-

Rashdan Baba, executive chairman of Telekom Malaysia, says this new phase is favorable to industry, customers and the nation as a whole. "Huge investments are being channeled to satisfy anticipated growth in demand as well as to gain a strategic share of the market," he declared at a national business conference last

Indeed, both local and foreign investors are flocking to the Malaysian telecommunications sector. The Ministry of Energy, Transportation and Posts estimates that more than 16 billion ringgit (\$5.9 billion) will be invested in switches for local, long-distance and international networks, cellular and satellite networks,

s in many of the and software and managerapidly growing ment systems over the next five years.

"A well-developed telecommunications infrastructure will give Malaysia an added advantage to increase economic competitiveness in the long run." says Thomas Nilson, Jr., group managing director of AT&T in Malaysia, adding that the Malaysian government has already laid the groundwork to encourage foreign investment in technology-driven industries.

Mr. Nilson thinks the biggest challenge for Malaysia's telecommunications industry is the development of infrastructure that is able to support the country's Malaysia, however, is vision to be a self-sufficient and fully industrialized nation by the year 2020.

"Businesses and industries are growing at a fast pace. he explains. "Demand for superior and efficient communications services, as well as innovative and costeffective systems and products, will go hand in hand with this development."

Telekom Malaysia is giving priority to network development. Major accomplishments to date include the recent completion of a nationwide digital transmission network and a support system for future long-distance capacity that provides diversity in the trunk microwave system to cushion the impact of system fail-

Providing ordinary telephone service continues to be the primary goal of Telekom Malaysia. There are currently 2.3 million telephone access lines in the country, amounting to 12.3 percent penetration, an increase of 4.3 percent since privatization in 1987. Since



There is competition for all segments of telecommunications.

then, growth of direct lines ture with an American comhas exceeded 14 percent per

The private sector is also helping. Celcom, the na-tion's largest mobile-phone company, recently installed a \$40 million microwave network to ease line congestion problems that were af-fecting the nearly a quarter million cellular-telephone subscribers. A nationwide fiber-optic network is being constructed by Time Telecommunications to provide the foundation for advanced intelligent network

In addition, Malaysia is now moving into the global satellite business. One of Celcom's sister companies in doing just that." has entered into a joint ven-

pany to launch Russianmade satellites for commercial purposes. The first launch took place in Siberia last November. Meanwhile, Binariang Network has been given government approval to launch a Malaysianowned and -operated satellite next year to provide core data communication, tele-

phone links to remote areas

of Malaysia and television

service.

"It takes nimbleness, flexibility and responsiveness for businesses to succeed in the global marketplace," says Mr. Nilson. "Helpful and reliable global networking systems will assist them

# TOURISM COURTS A WIDER MARKET IN '94

alaysia is already well on its way to becoming one of the leading industrial powers of Southeast Asia. But the country has also found another way to stimulate its economy: tourism. In less than a decade. Malaysia has gone from having practically no organized tourism to being one of the most aggressive holiday marketers

in the Asia-Pacific region. Malaysia may have entered the tourism market later than its neighbors, but it is quickly making up for lost time. Last year, the country welcomed 6.45 million tourists, and tourism earnings reached \$1.7 billion, a 15 percent rise over 1992.

This year, the government hopes to earn \$1.8 billion from 7 million tourists. According to Sabbaruddin Chik, minister of culture, art and tourism, the number of visitors is expected to grow between 7 percent to 8 percent yearly for the rest of the decade, reaching 12.5 million arrivals by the year

"Malaysia is comparative-ly new in tourism," says Mr. Sabbaruddin. "For quite some time, we relied on commodities - tea, rubber, palm oil, petroleum - and manufactured goods."

The government only became concerned about promoting tourism after the collapse of several important commodity markets in 1986, a circumstance that caused Malaysia's growth rate to drop to minus I percent. Tourism was identified as an encouraging growth area, but Malaysia faced severe competition from other well-established regional destinations like Hong Kong, Singapore, Thailand and the Philippines. "We were struggling." Mr. Sabbaruddin admits.

Infrastructure was a major problem, especially the lack of modern airport facilities and international-standard hotels. Few Malaysians seemed interested in nurturing tourism beyond the region. Meanwhile, Western knowledge of Malaysia was scant. "We had to tell people that we were north of Singa-pore, southwest of Vietnam." Mr. Sabbaruddin

adds. Still, the choice was clear: Malaysia could let tourism creep along at a snail's pace or push it into the fast lane. "Tourism is like a tree," says Mr. Sabbaruddin. "Left alone, the tree may survive. But with fertilizer, it will bear more fruit."

The first dose of fertilizer was the formation of the Ministry of Tourism seven years ago. That was quickly followed by Visit Malaysia Year 1990, a special program to give the tourism industry a shot in the arm. It bore fruit: With a global promotion and advertising campaign. Visit Malaysia Year '90 brought a record 7 million people to the country.

In fact, Visit Malaysia Year was so successful that tourism authorities decided to stage another one this year. Six places have been identified for special emphasis during Visit Malaysia Year 1994: Kuala Lumpur, the nation's capital; the resort island of Langkawi; Mount Kinabalu in Sabah; the Dutch colonial town of Malacca; and the national parks at Taman Negara and

In addition, different types of tourism activities are being singled out. including adventure, ecological, agricultural, sports and educational tourism.

Some of the categories may seem unrelated to the holiday industry - education chess center of this part of and agriculture in particular the world." Malaysia is also comes to holidays.

- but the Malaysians have devised unique ways to bring these activities into the realm of tourism.

"By encouraging people to study here, we get something like a tourist staying here for 365 days a year," says Mr. Sabbaruddin. "The student may not spend like a tourist, but he still has to eat and needs transport, etc. The families of the students will also come here for visits."

Agro-tourism is seen as a natural progression from Malaysia's nature-based tourism products. At the recent PATA Adventure Mart in Lahore, Pakistan, Malaysia's ministry of agriculture extolled the wonders of Malaysia's agricultural parks, plantation tours and similar attractions.

of people who are interested - although details of the

well on its way to position-ing itself as a major golf center. The current total of 150 golf courses is scheduled to be increased to more than 200 by the end of the decade, including six fully lit night courses.

Overall, there are 36 promotions planned for Visit Malaysia Year 1994, including two international events designed to highlight Malaysia's natural beauty.

French-based Objectif Atlantide will move out of Europe for the first time ever. with a Scuba Dive Treasure Hunt off the coast of Terengganu in May. Twenty-five teams (including five Asian squads) will participate in the hunt. Then in September, Sarawak will host a Raid Gauloises non-We feel that there are lots mechanical adventure event

# THE TOURIST PROFILE

Tourists to Malaysia spend about 42 percent on accommodation, 21 percent on shopping, 20 percent on food and beverages, and 7 percent on

incal this portation.

The top time visior arrival makets in 1993 were Singapore. Trailand and Lapan.

The top fines ned Anim distor arrival markets in 1997 were Imman. Animals and the Unit.

ed States.
Origin of visiturs with the Joingst average stays: India (11.9 days), Britton (9.5 days) and the Utilited States (8.8 days).

baruddin explains. "Some people are even prepared to go fishing, or at least go to the fishing villages to enjoy the atmosphere and learn about the life of a fisherman.

"We are also encouraging sports tourism." he continues, waving a list of 26 different sports. "Golf, hockey, basketball, even chess - we are becoming known as the

in agriculture," Mr. Sab- event are being kept top se-

Domestic tourism is another area that Mr. Sabbaruddin and his staff are emphasizing. Current occupancy rates indicate a 55:45 split between domestic and foreign tourists.

To stimulate domestic . tourism, Mr. Sabbaruddin says that Malaysians must overcome the sentiment that "foreign is better" when it

ί.

# Message from the **Group Chief** Executive Officer



In recent years, Malaysia's unprecedented growth resulted from many factors inclining sound management by our government, the country's good work ethics, readily trainable. workforce and strong investors confidence

Berjaya also responded to and henefated &: from this favourable business elimate through expansion, acquisition and new start up. I have always adopted the apportunistic. approach of sporting undereloped and under developed businesses that has significant descriped seconds

Our commitment to build expertise and quality through training and embracing technology, has given us a good framication. no respond to new opportunities. This includes overseas expansion through the transfer 61 managerial experies.

We will continue to develop our core businesses and respond to our government's plans and vision for Malaysia

As we challe on another important phase of growth, we will continue to putsue business allumes through loint ventures. and parmerships. I believe we see good historis pariners, so if you have the desire to tional ventures; do talk to us and give us an 🖫 apportunity to work with you.



TAIN SRI DATO VINCENTAN CHEE YOUN 

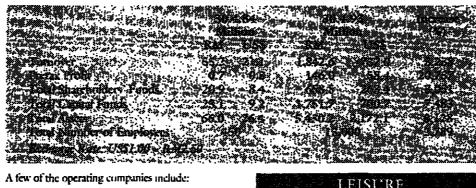
# BERJAYA GROWS IN TANDEM WITH MALAYSIA



the Berjaya Group of Companies' history dates back to 1984 when our current Group Chief Executive Officer Tan Sri Dato' Vincent Tan Chee Youn acquired a major control of shareholding in Berjaya Industrial Berhad.

Through his entrepreneurial leadership, the Group has been transformed into a diversified entity through partnerships, acquisitions, joint ventures and new start-ups.

The track record from 1984 reflects Tan Sri Dato' Vincent Tan's vision and stewardship. The Group's financial growth over the past 9 years are highlighted below:



A few of the operating companies include:

#### CONSUMER MARKETING

Today, Singer Malaysia Sdn Bhd is the largest, longest-established distributor and retailer of consumer durables with the widest canvassing network. The Catalog Shop Sdn Bhd has evolved from a

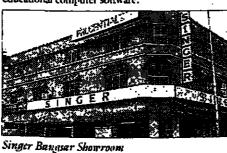
direct mail to one-stop retailing centre that offers a wide range of quality furniture and electrical products. Unza Group of Companies' operations today encompass manufacturing, marketing, sales and

distribution of a comprehensive range of quality, branded toilerries and household irems. Texan (M) Sdn Bhd markets a full range of men's apparel locally, and Cartel Corporation Sdn Bhd, ladies' apparel.

Berjaya Sound Entertainment Sdn Bhd produces karnoke films and songs. Homevideo Network (M) Sdn Bhd, is the

authorised home video distributor for Warner, Walt Disney, Sesame Street and Columbia Tristar.

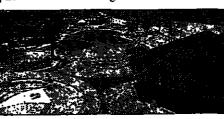
Cosway (M) Sdn Bhd is involved in the direct selling of a wide range of costume jewellery, cosmetics and health supplements through its 60,000 distributors. Rapid Computer Centre (S.E.A.) Sdn Bhd develops and markets its own brand of children's educational computer software.



LEISU'RE

Bukit Kiara Equestrian & Country Resort is the group's first wholly-owned recreation club with equestrian facilities, Kelab Darul Ehsan, a 70-acre 9-hole golf and recreational club, Staffield Golf & Country Club, a 340-acre suburb project and Bukit Jalil Golf & Country Resort to be an 18-hole golf cum recreational club.

Berjaya Tioman Beach Resort has 207 acres of parkland with a beautiful golf course.



Berjaya Tioman Beach Resort, Tioman Island

Redang Island will be developed into 2 integrated tourist cum holiday resorts to be known as Berjaya Redang Country & Golf Resort, and Berjaya Redang Beach Resort. Berjaya Langkawi Beach Resort, a natural-

tourist beach resort sprawls over a 70-acre site on Burau Bay, Langkawi Island. Internationally, it has two choice properties in

the South Pacific, Berjava Hotel in Suva, Fiji and Berjaya Beach Resort & Casino in Mauritius. In Kuala Lumpur, exquisite Oriental restaurants, Tsui Hang Village Restaurant, Oriental Pearl,

Fortune Courts, Hanatei Japanese Restaurant and Jewel in the Crown, a North Indian cuisine restaurant, were set up. Inter-Pacific Travel & Tours Sdn Bhd conducts tours, ticketing and foreign exchange through its

Berjaya Air Sdn Bhd is a multi-service air charter company, that facilitates transportation for leisure or work.

For a membership fee of RM12,000, Berjaya Vacation Club Bhd offers holidays, locally and overseas, for seven nights a year for 38 years, in addition to its affiliation with Resort Condominiums International.

### GAMING

In 1969, Sports Toto Malaysia Sdn Bhd was incorporated to run the toto betting business which was essentially the Government's effort to raise funds to promote and develop sports, youth and cultural activities.

Since privatisation in 1985, sales of Toto betting tickets have increased by over 700%. Sports Toto Malaysia has over 700 outlets throughout Malaysia.

#### PROPERTY

The Group has over the years successfully acquired prime commercial buildings located in Kuala Lumpur: Kota Raya Shopping Complex, Plaza Berjaya, KL Plaza and Wisma Stephens.

The Group currently owns and develops vast tracts of development land in Malaysia: Pines Condominiums, Petaling Indah Condominiums, Robson Condominiums, Ixora Apartments, Menara Greenview and Sri Dagangan Kuantan Business Centre, a 45-acre residential cum commercial development. Others include Sri Pelangi Apartments, Taman Kinrara, Tioman Horizon Condotel and Taman Cemerlang. Berjaya Green Development Sdn Bhd, a landscaping and golf course development company, manages 3 golf resorts, Tropicana Golf & Country Resort, Bukit Tinggi Golf & Country Resort and Bukit Banang Golf & Country Club

The Group is involved in the construction business through Bridgecon Engineering Sdn Bhd.

#### INDUSTRIAL

The Group has one of the largest vertically integrated textile groups specialising in yarn, knitted fabric and casual knitwear for internationally renowned

Singer Furniture (Malaysia) Sdn Bhd manufactures and sells timber-based furniture for domestic and international markets. Finewood Products Corporation Sdn Bhd

produces and sells furniture and timber-related products, with a significant export market. Lionvest Corporation Bhd is involved in logging and timber related operations.

Shinca Sdn Bhd assembles electronic and electrical items for leading brands. Topgroup Holdings Bhd manufactures domestic and commercial air-conditioners and

Inter-Pacific Packaging Sdn Bhd and South Island Packaging (Penang) Sdn Bhd, are involved in producing corrugated carton boxes, industrial packaging and printing. South Island Plastics Sdn Bhd manufactures plastic bags and sheets.

LeRun Group Industries Berhad manufactures



Manufacturing of air-conditioners

#### FINANCIAL SERVICES

In March 1991, Inter-Pacific Capital Sdn Bhd was formed as a result of the merger of Inter-Pacific Securities Sdn Bhd, Eng Securities Sdn Bhd and United Traders Sdn Bhd.

Berjaya Prudential Assurance Berhad, a joint venture with Prudential Assurance Co. Ltd. Britain, provides life insurance services and is presently among the top 10 in the Malaysia life insurance industry.

Berjaya General Insurance Sdn Bhd, a joint venture with The Tokio Marine and Fire Insurance Co Ltd, Tokyo, is one of the top 10 and fastest-



Inter-Pacific Securities San Blod's trading floor

#### NEW VENTURES IN THE FAR EAST AND BEYOND

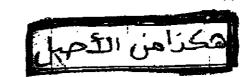
Berjaya Group will be investing up to US\$100 million on various projects in China including the operation of a computerised welfare lottery in Guangzhou, Shenyang, Chengdu and Dalian undertaken by Berjaya Lottery Management (HK) Ltd. In the Philippines, Berjaya has been selected to

operate a computerised lottery system in Luzon. Berjaya Lottery acquired a 40% stake in International Totalizator Systems, Inc (ITS), a US NASDAQ quoted company involved in the manufacturing of computerised ticket issuing systems and management of on line lotteries. It also has a 43.8% interest in Wing Hung Kee Holdings. a property investment holding company listed

Berjaya has recently secured Asian-Pacific rights for a new fast food chain known as Kenny Rogers

Roasters Restaurant. In line with the Group's objectives to eventually build up a top class international chain of hotels and casino, Berjaya acquired 3 hotels - Mahe Beach Hotel, Beau Vallon Bay Hotel and Praslin Beach Hotel in the Republic of Scychelles.

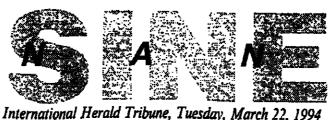
BERJAYA GROUP BERHAD . BERJAYA INDUSTRIAL BERHAD . BERJAYA LEISURE BERHAD . BERJAYA SINGER BERHAD . BERJAYA SPORTS TOTO BERHAD For further information, please contact: Group Investor Relations, Level 16 Shahzan Prudential Tower, 30 Jalan Sultan Ismail, 50250 Knala Lumpur, Malaysia. Tel: (6)03-2422622/2423155 Telex: MA32411 BCBKL Fax: (6)03-2444334















DVERTISING SECTION

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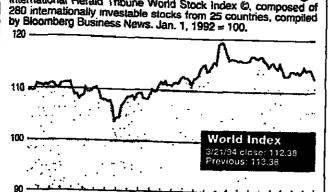
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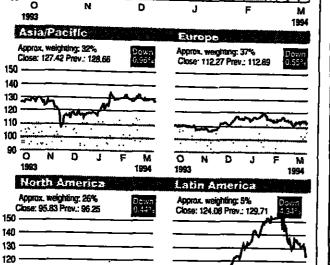
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A Comment

International Herald Tribune World Stock Index ©, composed of





The Index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Imly, Mexico, Netherlands, New Zenland, Norweys, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization.

	Moc.	Prev.	% change	_	Mon. close	Prev.	% chang
Energy	111.90	112.81	-0.61	Capital Goods	114.33	114.55	-0.19
Utilities	123.76	126.71	-2.33	Raw Materials	121.83	123.11	-1.04
Finance	115.32	116.44	-0.96	Consumer Goods	99.11	99.38	-0.27
Services	118.11	119.77	-1.39	Miscellaneous	126.08	127,98	-1.48

# Tobacco Companies Look East **Cash-Hungry Governments Are Light on Restrictions**

By Barry James

PARIS - Tobacco Road may have developed some potholes in the West, but it is still

paved with gold in the East.
Although the tobacco market is stagnating or shrinking in most industrial countries, cigarette manufacturers are making up by ex-panding in the rest of the world. Since the fail

of Communism, the bulk of their investment has been in Eastern Europe. Philip Morris Cos. and R.J. Reynolds Tobacco Co., of the United States; BAT Industries PLC, of Britain; Reemisma Cigarettenfabriken GmbH, of Germany, and other companies have started more than two dozen joint ventures in the region and committed more than \$1.5 billion in investments since the fall of communism. The Eastern market, which consumes more than 700 billion cigarettes annually, is 40 percent bigger than the U.S. market.

BAT last week became the latest tobacco multinational to announce a jump in profits, thanks in large part to expansion in Eastern

A spokesman for BAT said majority shareholdings in cigarette factories in Hungary and Ukraine had quickly proved profitable. The company also is eying opportunities in the virtually limitless Chinese market, where the annual consumption of 1.7 trillion cigarettes is about a third of the total smoked in the world.

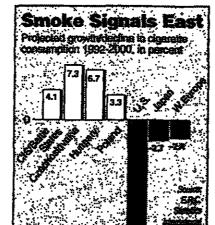
Operations of the tobacco giants in those areas do not run up against the kind of extensive anti-smoking lobbying that occurs in the United States and Western Europe. For example, the U.S. military and the state

of Maryland both recently announced a ban on smoking in all public and work places, and the New York city council is considering doing the same. The federal government is proposing an increase in taxes on cigarettes to help pay for reform of the health care

in Eastern Europe, governments are eager for hard currency investments and place less emphasis on the health risks of smoking. Even before the Marlboro Man rode onto the scene, rates of smoking-related disease in

Eastern Europe were high.

"Lung cancer rates already are off the scale, higher than anywhere else in the world," said Alan Lopez, an epidemiologist at the World Health Organization in Geneva.



The rate of premature deaths directly attributable to tobacco is set to soar, Mr. Lopez said. "Everything is in place for an epidemic. It is going to happen unless there is a dramatic cessation in smoking."

The Tobacco Institute, which represents the U.S. industry from Washington, refused to answer a question about the overseas expansion of the American manufacturers. A spokesman for Philip Morris said the company's expansion in some markets bore no relation with contraction in others. "We have been established abroad for 40 years and we follow our own strategy," the spokesman

The Western companies have set up joint ventures with existing companies in several Eastern European countries, giving them control of popular and affordable local brands.

The companies also promote their own brands in advertising aimed at young profes-sionals, blatantly suggesting that smoking Western cigarettes will make them sophisticated, popular with the opposite sex and successful. The introduction of "light," or low-tar and low-nicotine, Western cigarettes has led to a huge increase in smoking among women, according to the health experts.

"Cigarettes are an easy image-building product," said Luk Joossens, director of the European Bureau for Action on Smoking Prevention, based in Brussels.

When health officials curbed some of the more blatant tobacco advertising in the Czech Republic, Mr. Joossens said, a coalition of advertising agencies ran a counter-

See SMOKE, Page 19

# IMF and Moscow Hit Logjam on Loan

Compiled by Our Staff From Dispatches MOSCOW - Russian officials and the International Monetary Fund failed to make progress Monday on a \$1.5 billion loan as Michel Camdessus, IMF managing director. lashed out at Moscow for ex-

cessive spending. ment must take "urgent action" to.
stop printing money to finance the budget and to wean enterprises from state funding allocations and the government must take "urgent action" to.

"High inflation has seriously hurt the Russian economy and society presented the action of the property from state funding, allowing them to close if necessary.

quoted a Russian official as saying. The \$1.5 billion loan, the second installment of a \$3 billion fund package designed to speed the transition from communism to capital-

ism, is of symbolic importance to Russia. When it is cleared, Russia, which has already received \$2.5 bil-In an unusually candid address, lion from the IMF, may win a

oclose if necessary.

pects for growth in living stan"The talks have gone nowhere dards," Mr. Camdessus said in a Sea resort of Sochi, where he met due to the IMF's nonconstructive speech at the Moscow Finance President Boris N. Yeltsin for con-

attitude," Itar-Tass news agency Academy. "This corrosive process sultations on the stalled loan talks must be stopped." Inflation reached about 950 percent in 1993.

> The talks also focused on the proposed 1994 budget with Mr. Camdessus reportedly pushing Prime Minister Viktor S. Chernomyrdin for assurances that budget targets can be met. Last year, revenue fell below the estimates while spending exceeded budget figures.

Mr. Chernomyrdin postponed production and pushed back pros- scheduled talks Monday with Mr. and other issues, Itar-Tass said. Behind the immediate implica-

tions of the logiam on the loan, the talks were seen as a crucial measure of Moscow's ability to fulfill promises to continue economic reform and of the West's readiness to help The government has already

pledged billions in fresh subsidies to various farming and industry groups while at the same time promising to keep month-onmonth inflation below 10 percent and reforms on track.

# Foreign Cash Is Flowing Out Of Asian Stocks

By Kevin Murphy International Herald Tribuni

HONG KONG - A sudden withdrawal of overseas money is putting pressure on stock markets all over Asia, and only a large influx of local cash is seen as being able to stabilize prices.

The Hang Seng index plunged more than 5 percent on Monday to lead an Asia-wide sell-off. For the fifth straight day, foreign-based murual funds slashed their positions in the Hong Kong stock market, traders said. The index closed at 8,667.03 on Monday, down 5.09 percent from Friday. The offshore mutual funds had been a major factor

in the Hang Seng's recent rally. After doubling in value in 1993, Hong Kong stocks lost 27 percent so far this year. They have been driven down by worries about rising U.S. interest rates, an impasse between Britain and China over political reform in Hong Kong and nervousness that China's overheated economy may be headed for a hard landing.

"Hong Kong's terrible run lately is dragging all the smaller regional markets down whether we like it or not," said a Bangkok-based dealer with a British brokerage. Expectations for the Federal Re-

serve Board to raise U.S. rates this week, perhaps even Tuesday, echoed in stock markets across Asia. The Kuala Lumpur index fell 5.30 percent Monday, with stocks in Bangkok losing 3.43 percent and in Singapore 3.22 percent. The Asia component of the International Herald Tribune World Stock Index fell 0.96 percent, to 127.42. Japanese markets were closed Monday for a holiday.

Higher U.S. rates could curb for-eign appetites for the once highflying markets. Last year was a record year for most Asian stock exchanges, and there are fears among traders that the foreign funds that drove the rally are shifting permanently to less volatile investment areas.

"Momentum investors drove this market last year," said Kirk Sweeney, research director for Lehman Brothers in Hong Kong, whose firm rated the local market a "sell" when it hit 12,000.

The real catalyst for the falls has been from munual funds selling and no buying support from longer-term funds," Nial Gooding, of Barclays de Zoete Wedd, told Reuters.

The Malaysian index has lost 25 percent so far this year, with Thailand down 28 percent and Singa-

#### interest-rate jitters drove down U.S. stock prices. Page 18.

pore down 16 percent, despite gen-erally positive economic conditions and strong corporate earnings growth throughout the region.

Based on market fundamentals the only market that should be hit this badly is the Philippines," said Paul Schulte, with CS First Boston in Hong Kong, referring to the im-provement in the price-to-earnings ratios of many Asian companies that have dropped.

"By now the potential rise in U.S. interest rates should be discounted." he said. "Current levels these markets, especially Hong Kong, are again looking reasonable.

# Chinese Inflation Surges to 20%

BELIING - China said Monday that retail prices rose 20 percent in January and February from the similar period of 1993 in a serious worsening of the inflation that has plagued the country's two-year-old economic boom.

The official news media, which released the figure, did not give the urban inflation figure, which runs significantly higher than the national average. In December infla-tion ran at 14 percent for the country but at 23 percent in the cities.

Many foodstuffs in Beijing have doubled in price in the past few weeks. The government announced price-control measures last week on a range of basic consumer

# Thinking Ahead /Commentary

# Europe's Needs Outweigh U.K.'s Fears

By Reginald Dale nal Herald Tribune

WASHINGTON - As a Greater Europe begins to take shape, it is exploding a hoary fallacy — the belief that the longer the list of members, the looser the bonds of the Europe-

The real world is not so tidy, as John Major's battered Conservative government in Britain is discovering to its cost. Britain has long aimed to hobble the drive

to European integration by rounding up the maximum number of players. The hope was that the admission of North, Central and East European nations would once and for all remove the threat of a federal Europe to Britain's cherished national sovereignty. Now, Austria, Sweden, Norway and Fin-

land have completed negotiating their entry, and Britain has suddenly realized that the opposite could happen — that in a bigger grouping, each country's sovereignty is likely to count for less. In an embarrassing and, one hopes, doomed rearguard action, Britain is trying to keep the weight it now has in blocking EU

decisions if and when the Union is enlarged from 12 to 16 members. This is only the beginning. Assuming Austria and the Scandinavian countries join the Union, next in line will be the six Central and

East European nations led by Poland, Hungary and the Czech Republic.

With Malta and Cyprus, the three Baltic states and possibly Slovenia knocking on the door, the Union could more than double, to 27

or 28 states, in the not too distant future. How will Britain impose its will on the others then? Logic and common sense both point in the opposite direction. The more members there are, the less rational it is to allow small groups of countries, let alone individual governments, to block decisions.

As most of the other countries realize, a bigger Union will require more, not less, of the kind of centralized decision-making that is anathema to Britain.

Indeed, the Union can only benefit if Britain's negative attitudes can be more easily overruled. Britain seems to assume it will usually be in the minority, desperately seeking to restrain its more integrationist partners. But Britain is not the only one that is

The EU can only benefit if the British government's negative attitudes toward it can

be more easily overruled.

current poor member countries when even poorer countries in Central and Eastern Europe are admitted.

alarmed. Spain is concerned that outnum bered Mediterranean countries will not be that there will not be enough money for the

Greece has said the latest round of enlargement is an error — which is ironic, consider-ing that most of the other members think it was a big mistake to admit Greece.

Spain and Greece are right to be afraid. The balance in the Union is about to swing irrevocably from the Latin and Mediterra-nean South toward the North and East,

That too will be good for the Union. With their protectionist, interventionist tendencies and their constant demands for cash, the Mediterranean countries also are often a bad

The one country that is making no bones about this is Germany, which will be both the most powerful and the most central country of Greater Europe. Many of the new entrants

will be Germany's natural clients and allies. The frankest of German officials freely admit, in private, that they welcome the dilu-tion of the spendthrift Latin influence and the addition of countries more likely to sup-

That in turn, they say, should make it easier for the Bundesbank to share some of its

power in a future monetary union.

Much of this is potentially bad news for France, where British-style nationalism has also been on the rise. But France has decided to yield to the inevitable and make the best of a wider Europe.

Of course it will still be possible, even desirable, for smaller groups led by France and Germany to push ahead more quickly than the rest - toward monetary union, for example. But there can be no going back. Since last year's Copenhagen summit, the Twelve are committed to opening the door to virtually all of Central and Eastern Europe. And it is likely to be sooner rather than later.

It will be far more difficult than bringing in Austria and the Scandinavians. But fortunately it does not have to mean watering down the Union to suit British tastes.

March 21

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# "Let's do light, Mr. Edison."

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Baer has a long tradition of coming up with enlightened solutions to even the most complex problems.

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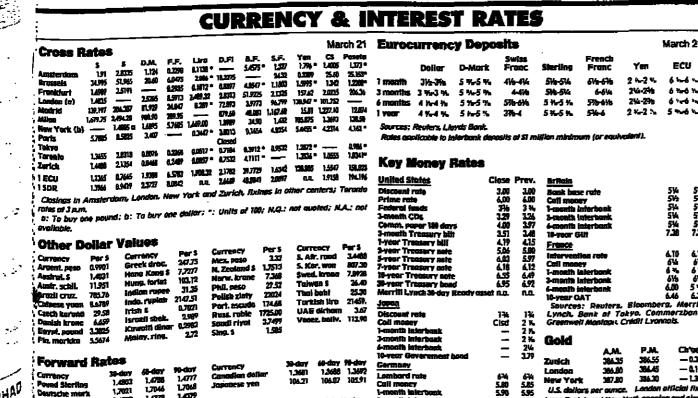
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## MARKET DIARY

# **Rate Expectations** Burden Wall Street

NEW YORK - Jitters about whether the Federal Reserve Board will raise interest rates this week sent stock and Treasury bond prices lower Monday.

The Dow Jones industrial average fell 30.80 points, to 3,864.85. Declining issues outnumbered ad-

#### U.S. Stocks

vancers by a 3-to-1 ratio on the New York Stock Exchange in mod-

erate trading.

The benchmark 30-year Treasury bond fell 16/32 point in late trading, to 91 10/32, with the yield rising to 6.95 percent from 6.92 percent Friday.

Market focus is on the Federal Open Market Committee's meeting on Tuesday, which is widely expected to serve as a forum for the Federal Reserve Board to raise interest rates. The Fed nudged rates higher on Feb. 4 for the first time in five years, causing a 96-point drop in the stock market.

There's a lot of nervousness ahead of the meeting," said James Melcher, president of Balestra Capital. "And when investors are waiting and nervous the tendency is to sell." Stocks also set back after Fri- and a rating on the stock. day's late surge linked to the quar-

terly expiration of stock indexes. options and futures. Stocks often reverse course on the day after an

expiration, analysts said. Teléfonos de México's American depositary receipts were the most actively traded issue on the New York Stock Exchange, falling 1<sup>14</sup> to 58% in step with recent losses on the Mexican stock market.

Baltimore Bancorp was the second-most-actively traded stock, rising 1% to 19% after news that First Fidelity would buy the bank for \$20.75 a share. First Fidelity slipped ¼ to 45¼.

Among the active issues were three technology companies, with National Semiconductor rising is to 24¼ and Advanced Micro Devices gaining 1½ to 30%. IBM jumped 1½ to 58%, drawing interest after introducing a portable computer. Auto stocks also were active, with

Chrysler losing 1/2 to 571/4, Ford slipping % to 61% and General Motors falling % to 59%. Ford received two bids for its unprofitable First Nationwide Financial Corp. Duff & Phelps raised credit ratings on about \$8 billion of Chrysler debl

Cadence Design Systems gained 11/4 to 15% after a Goldman, Sachs analyst raised earnings estimates (AP, Bloomberg, Knight-Ridder)

# **Dollar Slips a Pfennig As Market Awaits Fed**

Compiled by Our Staff From Dispatches NEW YORK - The dollar eased Monday after climbing briefly above 1.70 Deutsche marks on speculation that the Federal Reserve Board will push interest rates higher when its policy-making panel meets Tuesday.

The dollar closed at 1.6895 DM, down from 1.6968 DM at the close

# Foreign Exchange

Friday, and at 105.875 yen, compared with 106.120 yen.

Some dealers said they expected the Fed to push up the federal funds rate, the rate on overnight loans among commercial banks, a quarter of a point, to 3.5 percent. Such a move could drive the dollar above 1.75 DM. The Fed pushed the rate up a quarter of a point, to its current level, on Feb. 4, the first such increase in five years.

"The Fed is boxed in to a certain extent, in that it has to hike interest rates this week in order to avoid losing a great deal of credibility, especially after Friday's meeting between Clinton and Greenspan," said Win Thin, an analyst at MCM CurrencyWatch.

But others said the market was still trying to decide how to interpret the meeting Friday between

Fed Chairman Alan Greenspan

and President Bill Clinton. That meeting had dealers wondering whether the White House was trying to pressure the Fed into keeping rates where they are.

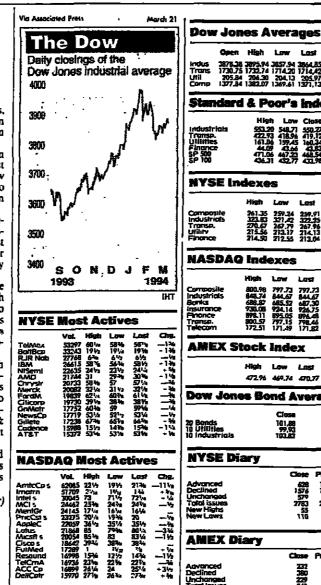
Another trader said a 25 basis point tightening by the Fed may already be factored into the U.S. unit's value. But if the fed funds rate is pushed up by 50 basis points, the dollar could surge to bout 1.72 marks, he said.

In Chicago, a futures trader said a large rate rise could have the unexpected effect of hurting the dollar. He said a greater-than-25basis-point increase could send se-curities markets sharply lower and thus encourage internationally minded investors to flee dollarbased assets.

Amy Smith, a foreign exchange analyst at IDEA, said that the dollar received a boost early in the New York session after the White House announced it was sending Patriot missiles to South Korea, but failed to breach resistance at 1.7025 DM and so was sold off again.

Against other currencies, the dollar slipped to 1.4320 Swiss francs from 1.4415 francs and to. 5.7605 francs from 5.7810 francs. The pound fell slightly, to \$1.4885

from \$1.4905. (Reuters, AFX, Knight-Ridder)



**AMEX Most Actives** 

Market Sales

Vol. High Low
16270 41/s 31/s
16271 41/s 11/s
16272 41/s 11/s
12219 9 84/s
7062 29 28/s
6244 301/s 29/s
6244 301/s 29/s
5238 81/s 6
4537 77/s 7/s
4597 22/s
45907 131/s 128/s

High Low Last

4V<sub>10</sub> 1V<sub>4</sub> 8V<sub>6</sub> 29V<sub>6</sub> 43V<sub>6</sub> 8V<sub>7</sub> 7V<sub>4</sub> 22V<sub>6</sub> 13V<sub>6</sub>

Prev. cons. 505.12 27.37 311,45

LONDON - Bond and stock prices fell across

Europe on Monday amid concerns the U.S. Federal

Reserve Board was poised to raise interest rates, a

Klaus Heintzen, a senior equity trader at Bankhaus Gebrüder Bethmann in Frankfurt.

"While there's that kind of uncertainty in the

market, stocks are going to keep going lower," said

Martin Lupton, head of equity trading at Kleinwort Benson Securities Ltd. in London.

The major Milan share index was 1.86 percent lower, while Zurich was off 1.21 percent and Frank-

The Bank's move came after the Economic Research Institute in Sao Paulo said inflation in the period from Feb. 15 to March 15 rose to 40.04

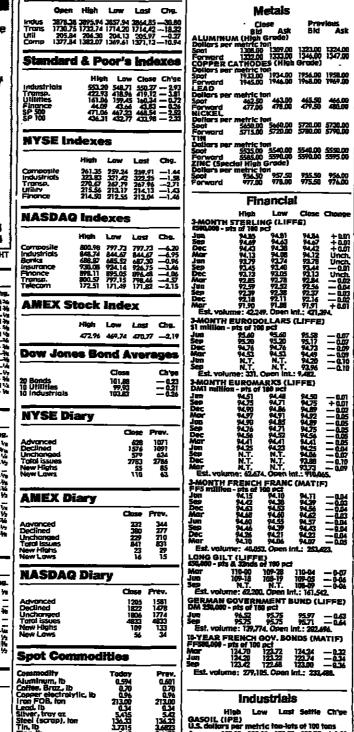
"It's really difficult to hold a long stock position when interest rates are ranging around a daily rate of 1.8 percent," one broker said.

"We're all waiting for interest rates to go up," said

move that could stall world economic growth.

Fed Speculation Sours European Markets

recently.



# BRENT CRUDE OIL (IPE) J.S. dollars per barrel-lots of

furt down 1.13 percent. The chief index for Pans was off 0.84 percent and for London down 0.62

As government bond prices fell, the yield on 10-

year German bunds rose to 6.41 percent from 6.36

percent, while French OATs were up to 6.46 percent

from 6.39 percent and British gilts ended at 7.38 percent, up from 7.35 percent on Friday. Traders

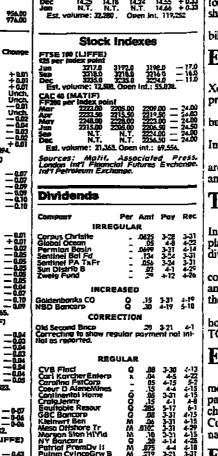
said bond prices have moved in line with U.S. events

"The slowness of the German Bundesbank in

cutting rates means European bond markets haven't decoupled from the U.S.," said Tony Bolton, a

trader at London Bond Broking Ltd.

**EUROPEAN FUTURES** 



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a-annual; g-payable in Canadian funds; mapthly; a-quarterly; s-semi-annual

#### **UAP's Capital Gains** Help Lift Net by 32%

Bloomberg Business News

PARIS - Union des Assurances de Paris, France's largest insurance company, said that capital gains had boosted net profit by 32 per-cent, to 1.42 billion French francs (\$246 million), in 1993 and offset a large loss at its banking subsidiary Banque Worms.

UAP, which is controlled by the state and scheduled to be sold to the public later this year, also said that it increased its dividend to 3 francs per share from 2.67 francs in

# Novell Paying \$1.4 Billion: To Acquire WordPerfect PROVO. Utah (Combined Dispatches) — Novell Inc. said Monogy that it was acquiring WordPerfect Corp. in a stock swap worth S. a billion, creating one of the largest software companies in the world. Novell will exchange 59 million of its shares for the common stock and Novell will exchange 59 million of its shares for the common stock and

stock options of WordPerfect. Novell stock closed down 25 cents at 523.75 on Monday.

Separately. Novell said it would acquire Borland International Inc.'s

Quattro Pro spreadsheet business for approximately \$145 million. In the past 15 years, the privately held WordPerfect grew from a tiny war. in the past 10 years, the privatery head wordinened grew from a tiny world processing software company based in Orem, Utah, to a computer software force with sales of \$750 million. But the company has undergone management shakeups and started laying off more than 1,000 workers in January. Novell, a computer networking company, posted revenue of \$1.[23] billion in the financial year ended Oct. 31, 1993. (Knight-Ridder, AP)

# **EDS Wins \$4 Billion Xerox Contract**

DALLAS (AP) — Electronic Data Systems Corp. on Monday won a Xerox Corp. contract worth an estimated \$4 billion to provide global data processing that Xerox once performed for itself.

The General Motors Corp. subsidiary will handle most of Xerox's data business, including operations in Rochester, New York; Britain and Brazil EDS beat out Integrated Systems Solutions Corp., a subsidiary of International Business Machines Corp., for the contract.

Many of the 2,000 Xerox employees in four information management areas to be affected by the deal would become EDS employees. However, an undetermined number of layoffs also were expected.

### TCI Planning to Split Into 4 Units

ENGLEWOOD, Colorado (Bloomberg) — Tele-Communications Inc., the largest U.S. cable television concern, said Monday that it was planning a restructuring that may lead to turning its four main operating divisions into separate, publicly traded companies.

TCl plans to become a holding company for subsidiaries in cable and communications, programming, international cable and programming and venture capital. Minority stakes in each of the four would be sold to

the public, according to analysts aware of TCI's plans.

The move would enable TCI to cash in on the company's vast media holdings, which are worth an estimated \$22.5 billion, or \$45 a share TCI's Class A stock closed at just \$22.875 on Monday.

# **EU Asks Fed to Back Off Bank Fees**

BRUSSELS (AP) — The European Union on Monday protested moves by the U.S. Congress to make American branches of foreign banks pay to be supervised by the Federal Reserve Board. In a letter to the Federal chairman, Alan Greenspan, the dozen governments and the European Commission said new supervision fees under a 1991 law would discriminate against foreign banks in the United States.

For the Record National Westminster Bancorp Inc., a British-controlled bank with operations in New York and New Jersey, agreed to acquire Citizens First Bancorp of Castle Rock, New Jersey, in a cash-and-stock transaction valued at \$500 million.

First Fidelity Bancorp. of Lawrenceville, New Jersey, will buy Baite more Bancorp for \$20.75 a share in cash, or \$346 million. (Knight-Ridde) Occidental Petroleum Co. will buy 17 oil and gas properties on the Gulf of Mexico coast from Agip Petroleum Co., a unit of Italy's Agip SpA, kir S195 million in cash and stock.

(AFX)

Allstate Corp. increased its California earthquake loss estimate to \$600 million from \$350 million and now expects an operating loss for the first quarter of about 30 cents per share.

United Steelworkers of America plans to announce Tuesday the filinge a union election petition with the National Mediation Board for 10.000 passenger service agents working at USAir Group Inc. (Reuters)

#### **Weekend Box Office**

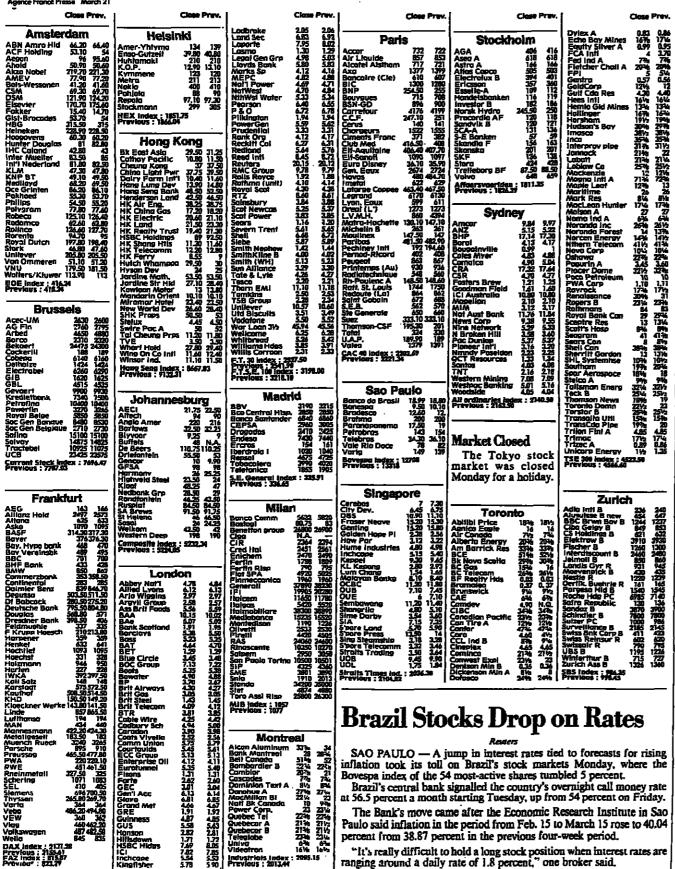
The Associated Press

LOS ANGELES — "Naked Gun 331/s: The Final Insult" topped the weekend box office. Following are the Top 10 moneymakers based of Friday ticket sales and estimated sales for Saturday and Sunday.

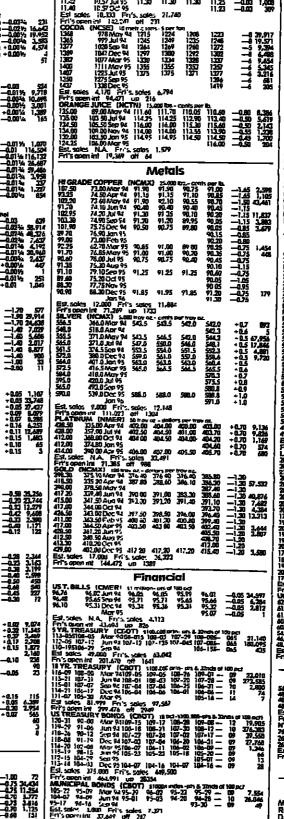
1. "Naked Gun 33%" 1. "Naked Gun 3393"
2. "Guarding Trouble"
4. "Schindler's Light
5. "Lightning Jack"
4. "Ace Ventura, Pet D 7. "The Ref" 8. "Mrs. Doubifire" 9. "Greedy" 10. "Eight Seconds"

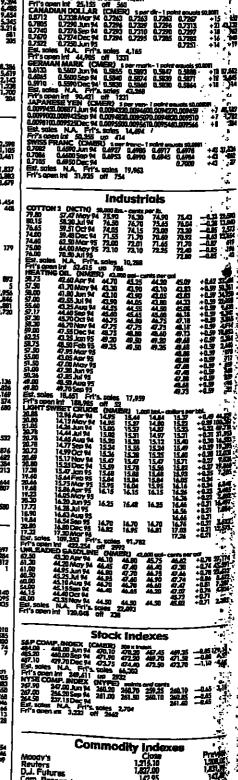
\$13.5 mHillo (Paramount) (TriStur) (New Line Cinema) (Universal) (Savay Pictures) (Womer Brothers) (Twentieth Century-I (Universal Pictures) (New Line Cinema)

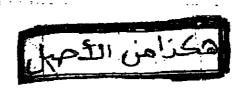
# **WORLD STOCK MARKETS**



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illion Xerox Contract forecast of a manufacturent business year.
The company said sa The company said sales in the six months ended Jan. 31 rose 20 percent, to 980 million Deutsche marks (\$579 million) from 820 million DM a year earlier, exceeding an estimate of 920 million DM made in January. System: Solution of the Britain only an estimate of made in January.

Domestic sales in the first half property to 423 million DM

o Split Into 4 Units from 482 million DM.

In the company maintained its present traced traced that manage decisions a group less of 140 million DM to 150 million DM for the field year according to Porsche's in the company of the predicted however, that sales at just \$22.5 for Monay.

at just \$22 and on Monday Back Off Bank Fee loss of 238.8 million DM. In the to make American manches of tage.

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# ng \$1.4 Billion Porsche Affirms WordPerfect Porsche Affirms Dispatches — Well Inc. and More Proceedings of the Composition of its shares for the composition of its shar around acquire Burling Internal Market As Sales Rise ares for approximately \$140 million are for approximately \$140 million But the community is a complete or Commilled by One Staff From Dispatches Treet half of the guarantees.

Here the complete from the fro TRANKFURI — The sports with 120 million DM a year earlier.

Sport of recently discussion better-than-expected first-half better-than-expected first-half saying sales and orders for its 911 Carrera cars were going well.

The company said sales in the six continue to pull down earnings. Or-

Employees in tour information many all would become EDs employees the rose 25 percent, to 423 million DM (2006) and agree reported to 557 million DM rose 16 percent, to 557 million DM

iding contracts full year, according to Porsche's ing internal officer, Walter ing internal the said and page Chief financial officer, water the said, the high-A STAKES IN TAKE THE PARTY Granieri, he saw, he make the least award of the party would be a first-half sales only "make the

In 1992-93, Porsche ran a record

first half of the current year it had a loss of 114 million DM, compared Carrera cars were going well, though start-up costs for the model

ders as a whole were 42 percent higher in the latest half year, it said. The second haif of the year will be substantially better, thanks to intensive measures to increase productivity and cut costs," Porsche

The company said it planned to make 18,000 cars in the current business year, compared with 14.362 in 1992-93.

Chief Executive Wendelin Wiedeking said Porsche hoped to break even in the 1994-95 business year. He would not predict when the company might resume paying a dividend, saying. We can only pay a dividend when operating profits

Mr. Gnauert said Porsche's German subsidiaries were already showing operating profits and said the company expected to have positive cash flow by the time its next

financial year begins, on Aug. I. (Reuters, Bloomberg, AFX) that belongs to us."

# Russia's Vodka War Rages On Smirnov Fights Smirnoff to Claim National Heritage

By Margaret Shapiro Washington Post Service

MOSCOW - There are few things that a Russian takes as seriously as his vodka, and few Russians take it more seriously than Boris Smirnov.

The pudgy, bearded former KGB man is a descendant of one of the most famous vodka makers of all, Pyotr Smirnoff, who until the 1917 Bolshevik Revolution produced spirits for Russia's czars. But today Heublein Inc., an American subsidiary of Grand Metropolitan PLC, claims the right to the Smirnoff name and its brand is selling briskly in Russia.

For Boris Smirnov, 35, this is nothing less than an affront to national pride - and his family name — and one that he is determined to rectify by producing his own "genuine Smirnov" vodka and demanding exclusive rights to the name in the Russian market.

The battle for Smirnov - or Smirnoff, the older transliteration of the name - is shaping up into a David-and-Goliath contest with a Russian twist. The underdog is a descendant who never left Russia, and he is seeking to cast the world's largest seller of vodka as the foreign villain. The prize is a piece of what will be

a multimillion-dollar vodka market.

"Vodka is something Russian," said Boris
Smirnov in an interview at the crumbling building in Moscow where his family's company stood until the Bolsheviks nationalized it. "Pyotr Smirnoff was Russian. We are not trying to manufacture Johnnie Walker Black Label here. We're not trying to make French champagne. We're trying to make something

Heublein and its London-based parent

company see things quite differently. By their account, Smirnov is not even a direct relative of Pyotr Smirnoff, whose son fled Russia after the revolution, re-established the family business in Poland and then legally sold the name to the Russian émigré who in turn sold

"He claims he's the authentic Smirnoff. without any legal or material background," said Heublein's Moscow lawyer, Boris Me-

The underdog is a descendant who never left Russia and is seeking to cast the world's largest seller of vodka as a foreign villain.

grelishvili. "He says, 'I am Russian,' and that's supposed to be enough." Heublein did not expect to become embroiled in such a fight when it turned its attention to the opening Russian market in 1991. Company fore has it that after the Bolsheviks took over, the Smirnoff concern

was shut down, and family members who had not fled were never heard from again. But when Heublein went to register its Smirnoff trademark with authorities here, it turned out that Boris Smirnov had been there three weeks earlier. He had registered his own "P. A. Smirnov and Descendants in Moscow," and Heublein's claim was rejected.

The two sides tried find a compromise. Contemplating the huge post-Cold War public-relations possibilities of rejoining Smirnoff with Smirnov, Heublein offered Boris and other descendants he claimed to repre-sent \$2.5 million and shares in a Russianhased Smirnoff operation. Boris himself was to have a top job with a \$100,000 annual salary guaranteed for life.

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Then something happened. Boris Smirnov said that as he was preparing to sign the final documents he found changes made without his approval and became convinced that Heublein had somehow "bought" his lawyer. And, he said, it just did not sit right with him to "sell out" to some foreigners.

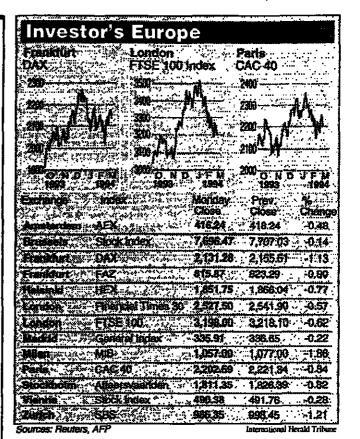
"A Russian man's mentality doesn't allow him to just sell out his affairs like that." Heublein suggested that Boris balked be-

cause he had falsely claimed to represent many Smirnoff descendants, and would produce their signatures, when he was really only

Since then, litigation has not ceased. The original ruling denying Heublein the use of the name has been reversed. Other rulings have been overruled or rescinded, and both sides have insinuated that political and finan-

cial pressures have played a major role in this. While Boris Smirnov has great plans for the future, right now the "gennine" product produced by his tiny company is almost impossi-

Heublein's Smirnoff, on the other hand, is on shelves everywhere, its bright red or blue labels asserting its claim as "successors to world-famous PIERRE SMIRNOFF, MOS-COW, RUSSIA, Purveyors to the Czars."



#### **Very briefly:**

• Air France's sale of its stake in CSA, the Czech Republic's national airline, is being delayed by the French carrier's promise to guarantee 70 percent of European Bank for Reconstruction and Development's \$30 million investment in the Czech carrier.

• Bic SA, the French maker of pens, disposable lighters and razors, carned a net 396 million francs (\$69 million) in 1993, compared with 374 million in 1992, helped by a 3 percent increase in sales.

• Caisse des Dépôts & Consignations, the largest institutional investor in France, estimated its consolidated net profit rose 65 percent to 4.3 billion francs in 1993, aided by a 50 percent increase in profit from trading.

 France's Economy Ministry said it expected gross domestic product to grow by 1.4 percent in 1994 and 2.7 percent in 1995; it forecast inflation to be 1.6 percent in 1994 and 1.7 percent in 1995.

• Britain's seasonally adjusted merchandise trade deficit with countries outside the European Union narrowed to £672 million (\$! billion) in February from £788 million in January.

• Beazer Homes PLC, which was spun off by Hanson PLC, said the public portion of its share offering was 1.3 times oversubscribed.

Hungary posted a trade deficit of \$3.46 billion for 1993, compared with a \$324 million surplus in 1992.

# Federal Reserve B and In a little following I the decrease governments and the tag Makes a Start on Its Telecom Sales which feels and a little following and the tag Makes a Start on Its Telecom Sales which I mitted States

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ancorp inc. 2 Between Index a finally given the push that puts into ancorp the policy motion the same and the communications industry.

See Jersey Translation of the policy of the most property of the policy of important thing about the government's announcement over the ment's announcement will merge List's telecommunications compa-

phone operator SIP SpA, overseas operator Italcable SpA, European operator Iritel, radio-marine components of the company pany SIRM and satellite company creating the long-planned Telecom Italia, a 27 trillion-lire-a-year (\$16 billion) company that will be sold

\_to private investors. Last weekend SIP announced that it would be offering its own Shares to take over Iritel, Italcable,
SIRM and Telespazio. Iritel, SIRM and Telespazio, which are owned by publicly traded.

"What's especially important is away" that the government is seen to be rushing to get it done." Marcello Sallusti, an analyst at Nomura Research in London, said. "Investors must see that it is actually getting under way."

The projected sale of Telecom Italia dwarfs previous sales in Italy's privatization program. The government has sold stakes in three banks, raising just under 7 trillion lire, as well as several smaller industrial companies. But the creation and sale of Tele-

com Italia had been planned for well over a year -- and nothing had Institutional investors, particu-

Stat SpA, a holding company controlled by Isnituto per la Ricostru-zione Industriale, the state's indus-But William Cowan, an analyst trolled by Istituto per la Ricostru-zione Industriale, the state's indus-trial holding company. Italcable is

sales and privatizations.

But William Cowan, an analyst
because Italian authorities are fi-nally unwinding the system of unsaid people were "getting carried realistically low charges for local over the sale prospects. calls and uncompetitively high He said SIP would have better charges for overseas calls.

# TNT Resists Belgian Order

BRUSSELS - Armed with a temporary court order, the Belgian government said Monday it would try to ban the U.S.-based TNT & Cartoon Network, but TNT's cable operator said it intended to continne distribution.

Turner Network Television has a 24-hour menu of U.S. cartoons and movie classics, which clashes with European Union legislation man- it would keep transmitting TNT larly overseas ones, have been dating a majority of EU-made pro- while the Council of State completheavy buyers of Stet and SIP over gramming in the 12 member states. ed an in-depth review of the case.

Belgium's Council of State, its highest court, last week issued a temporary order in which it ruled against TNT's request for a suspension of legislation to bar the network from Brussels' cable channels.

Belginm's audiovisual minister. Jean-Marie Dehousse, on Monday threatened new court action.

The Codital cable company said

#### **SMOKE:** Companies Look East the health warning on the tax

Continued from Page 17

campaign asking whether people who had just thrown off Communism wanted to restrict their free speech again. "It isn't very hard to guess who financed that campaign." he said.

So vital is the investment of the tobacco companies that Eastern European countries either require no health warnings on cigarette packets, or have looser require-ments than in the West.

"Where there is no legislation, I have never seen a tobacco company voluntarily put a health warning on its products," said Tapani Piha, the regional adviser for a tobacco-free Europe with the World Health Organization in Copenhagen.

Czech Republic began requiring warnings, the manufacturers made them so small as to require a mag-nifying glass to read them. He said nifying glass to read them. He said rope and the former Soviet Union a packet of Danish cigarettes he die as a result of smoking tobacco," bought in Czechoslovakia carried Mr. Lopez said.

stamp. "I have shown it to many visitors in my office, and not one of them has been able to find it," he said. Mr. Joossens said there also was

a large but unquantifiable market for smuggled cigarettes, which are sold without health warnings. But the spokesman for BAT said

the company routinely puts health notices on all packages, whether or not required to do so by law. Effective action against smoking

in Eastern Europe is unlikely to materialize until the European Union comes up with tougher poli-cies, Mr. Joossens said. The Union, which several of the Eastern countries hope to join, has for years been discussing a total ban on to-Mr. Piha said that when the bacco advertising, without getting

anywhere.
"Almost one out of two people who die prematurely in Eastern En-

#### **Daimler Quiet on Succession** Reuter, 66, who plans to retire, had

BONN - Representatives of Daimler-Benz AG were tightlipped Monday about reports that Jurgen Schrempp would succeed Edzard Renter next year as management board chairman of Daimler, Germany's largest industrial group.

Mr. Schrempp currently is head of Daimler's aerospace subsidiary, Deutsche Aerospace AG.

Schrempp for the job. A spokesman for Daimler said

agreed to recommend Mr.

there would be no official decision on who would succeed Mr. Reuter until after the company's annual meeting May 18. But neither Daimler nor Deut-

sche Aerospace denied that Mr. Schrempp had been informally Der Spiegel magazine said Mr. chosen as the successor.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

| 12 Month | 13 Month | 13 Month | 14 Month | 14 Month | 15 Month

RESULTS FOR THE SIX MONTHS ENDED DECEMBER 31, 1993

#### STEADY PERFORMANCE DESPITE WEAK COMMODITY PRICES

Completion of the merger transaction to acquire interests in gold, base metals, industrial minerals and pulp, paper and packaging.

Earnings before extraordinary items decreased by 10% to US\$106 million while earnings after extraordinary items increased by 23% to US\$164 million.

Interim dividend maintained at 19 US cents per share.

Operating earnings, now representing the largest component of earnings, increased by 77% to US\$67 million compared with the previous half-year (restated to reflect merger transaction).

Investment disposals realised US\$450 million and Minorco invested US\$270 million in existing and new businesses

Proposed change in year-end to December 31.

#### June 30 US\$ millions except per share amounts' Restated 1,172.0 2,776,4 1,200.5 37.7 66.6 127.0 149.4

139.8 Operating carnings Earnings before taxation. 340.0 Earnings before extraordinary items 117.8 251.9 105.9 Earnings before taxation per share (\$) 0.56 0.66 1.51 Earnings before extraordinary 0.52 items per share (\$) 0.47 1.12 Dividends declared per share (\$) 0.19 0.19 0.57

RESULTS

\*Based for all periods on 225.3 million shares in issue.

#### INTERIM DIVIDEND

An interim dividend of 19 US cents per share has been declared for the year to June 30, 1994 payable to shareholders registered in the books of Minorco at the close of business. on April 8, 1994. The interim report will be mailed to shareholders on or about March 24, 1994. Copies may be obtained from the UK transfer agent, Barclays Registrars. Bourne House, 34 Beckenham Road, Kent, BR3 4TU,

MINORCO SOCIETE ANONYME, LUXEMBOURG, MARCH 17, 1994

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Monday's Prices

NASDAQ prices as of 4 p.m. New York time.

This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

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## X-Y-Z

## X-Y 

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# NEC Hunts for a Cheaper Way of Doing Business

TOKYO - Four smiling, bowing women in red uniforms greet visitors at a marble reception desk in the lobby of NEC Corp.'s in relation to those produced in other ultramodern beadquarters, the 43-story Super Tower, built in 1990 when Japan's economic power seemed boundless. In the so-called executive zone on the upper floors, visitors are ushered into meeting rooms furnished with gray leather couches and low tables, commanding a view of Tokyo harbor and the environs.

"That's Mount Fuji over there," said a company spokesman, gesturing at the famous volcano 60 miles (100 kilometers) away. "Well, actually, it's enveloped in clouds right now -- sort of like the Japa-

nese economy, I suppose."

The view from NEC's executive zone is tloudy indeed. The company anticipated that this year would bring an end to the recession that has cost it hundreds of millions of dollars in losses. But now, amid U.S.-Japanese trade tensions, its woes are

value of the yen, which increases the prices of made-in-Japan products such as NEC's personal computers and telephone systems

The yen's rise "has had an incredible impact on the products we export, and it has smothered the government's attempts to rejuvenate the economy," said Yoshihika Suzuki, an NEC senior vice president "We have to make more products where labor is cheaper, especially Asian countries. But we have lifetime employment in Japan. So we face very difficult problems."

Already, the company has shifted production of relatively unsophisticated items such as color televisions to such lowerwage countries as Thailand and Malaysia. NEC executives are considering overseas manufacturing of high-tech products, such as liquid crystal display screens, heretofore made only in Japan. Some of that work

horrence of layoffs and reluctance to cut relations with suppliers.

The troubles at NEC, Japan's eighthlargest manufacturing company, with more than \$30 billion in annual sales, mirror those of the nation's industry at large.

Japanese manufacturers still make things better than virtually anyone else. But the strong value of the yen has meant that many of them are either exporting at a loss or straining to remain competitive on international markets. NEC is renowned for superb product

quality and engineering. Its Kagoshima plant in southern Japan, for example, has dazzled the industry with its top-of-theline color LCD screens used in computers and wall-hanging televisions.

Yet analysis warn that to improve competitiveness and fully regain its financial health, the company will have to go much further than it has in reducing its work could go to the United States. But the task force and switching its purchases of comhigh-cost Japan.

NEC has to cut personnel, and it has to change its procurement system, from inhouse to more-open procurement," said Shigeru Yoshinaka, an analyst at Barclays de Zoete Wedd Securities (Japan) Ltd.

All in good time, retorted Mr. Suzuki. who oversees NEC's restructuring effort. The company, he said, has not announced a target for work force reduction as other Japanese companies have, because of its sensitivity to lifetime employment, but it is using cost-cutting methods similar to theirs. Recruiting, for example, has been reduced from a 1990 peak of 2,000 new employees a year to around 1,200.

Mr. Suzuki said NEC was shifting to cheaper suppliers of products such as com-puter "motherboards" in Taiwan, China and other low-cost countries.

NEC is better positioned than many Japanese companies to withstand the affliction of the strong yen. It has reduced the percentage of Japanese production that rivals to rally around.

ponents away from captive suppliers in it exports from about 35 percent in the mid-1980s to less than 20 percent last year.

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NEC has built major plants to make computer chips in California Scotland. Ireland and Singapore, expanding produc-tion significantly in recent months to counter competition from South Korea's Samsung Co. and other low-cost Asian chip producers. And NEC is in talks with a Chinese manufacturer about a plan to make computer workstations in Shanghai.

Perhaps the biggest impact of the high en can be seen in the personal-computer business, which used to make a major contribution to NEC's bottom line but now provides a much smaller stream of profits.

The company gained control over more than half the Japanese PC market during the 1980s, using a proprietary technology. which prevented other companies' software from working on NEC machines. But during the 1990s Microsoft Corp.'s software proved a powerful system for NEC's

#### Investor's Asia Hong Kong Hang Seng Nikkei 225 Exchange: 5.00 2,936.38 2,104.02 -- 3.22 All Ordinaties 2,140.50 ... 2,168.50 Bangkok SET 246.84 Composite Stock: 885.65 893.99 -0.93 Weighted Price: 5,220.73 5,194.53 +0.50 Composite 2,598,00 2,657,98 -2.26 Stock Index 499.81 508.88 1.78 New Zosiant NZSE-40 2,255.34 2,293.16 -1.65 Bornbay National Index 1,851.59 1,827.05 +1.84

# CITIC Pacific Plans To Add More Assets

HONG KONG — CITIC Pacific Ltd. said Monday it would expand the acquisition program that helped boost its net income by 82 percent in 1993.

The company, which has invest-ments in the aviation, telecommunications, motor vehicle, financial services, power and real estate industries, said its net profit last year rose to 1.89 billion Hong Kong dollars (\$245 million), or 1.08 dol-lars a share, from 1.04 billion dollars, or 87.4 cents a share, in 1992.

CITIC Pacific is owned about 42 percent by CITIC Hong Kong, the local arm of the state-controlled China International Trust & Investment Corp. The company plans a final dividend of 28 cents a share, compared

with 22 cents a year earlier, raising its payout for the year to 38 cents a share from 30.2 cents. Sales rose 38 percent, to 11,54 billion dollars from 8.39 billion. Much of the increase was due to the company's purchase of a 12

percent stake in Hong Kong Telecommunications Ltd., the territory's monopoly supplier of fixedlink phone services. Chairman Larry Yung said the

company expected an "excellent

portant sectors of Hong Kong and the mainland," he said, "This trend will continue and the company intends to seek further expansion opasset and earnings base."

ings and dividends. "Your compa-

ny has now become a diversified

He also indirectly expressed confidence that Hong Kong's controversial new airport, the cost of which China has criticized, would be completed. Mr. Yung noted that CITIC Pacific had purchased a 50 percent stake in the Discovery Bay housing development on Lantau Island this month. The airport is near Discovery Bay, and a container port also is expected to be built on Lantau.

"The acquisition will provide your company with a strategic foothold to participate in the future development of Lantau Island." Mr. Yung said.

CITIC has stakes in some of Hong Kong's key companies. It controls 12.5 percent of Cathay Pacific Airways, 46 percent of the regional airline Dragonair and 20 percent of Chase Manhattan Corp.'s Hong Kong-based credit card concern, Manhattan Card Co. (Bloomberg, Knight-Ridder, Reuters)

# Hanoi — Market by '95? World Bank Aide Says Its Time Is Near

HANOI - Vietnam, a Communist state that only recently has been able to trade with the West, could have a securities market by next year, ac-

cording to a World Bank representative. "We believe it is possible to have a market with limited operations for debt instruments by Sep-tember 1995," E. Gayle McGuigan of the Washington-based International Finance Corp. said.

The finance agency, part of the World Bank, received a mandate to help the State Bank of Vietnam, the country's central bank, create a securities market. International Finance Corp. has a portfolio of about \$10 billion and is the largest

provider of financing to developing countries. Immediate plans for Vietnam's exchanges are modest and the hurdles many, Mr. McGuigan said a securities market would at first provide a way of raising money through debt instruments such as negotiable certificates of deposit and eventually company bonds guaranteed by banks, with slowly lengthening maturities.

The finance agency estimated it would cost more than \$1 million to actually form a market, of which \$400,000 has been raised from a variety of aid organizations. The money will primarily be for training the professionals who will run the market. "We have tried to provide documents that allow

the Vietnamese to understand all the issues and complexities of establishing a securities market," Mr. McGuigan said. He said his agency would try to help Hanoi draft legislation that could be easily understood by traders and investors.

"First comes the development of a concentual legal framework and the legal institutions such as the stock exchange itself," Mr. McGuigan said, "then educating the people in the basics of securities markets and training the professionals to run

Once a stock market is developed, much of the investment capital could come from overseas. Analvsts have said that as much as 30 percent of the country's equity may be available to foreigners.

There is already about \$164 million sitting in four investment funds, two of which are listed on the Irish Stock Exchange.

Vietnam, which has a population of 71 million, desperately needs funds to get its economy run-ning. Most private companies are unable to bor-row from the state-run banks, which lead mostly to the state-run companies.

Architects of the plan also hope creating a stock market will help reform the mostly unprofitable

"The securities market will be a catalyst for the ivatization of many state-owned companies," Mr. McGuigan said. Enterprises such as Vietnam Air, Hanoi Tourism and Petro Vietnam will provide the core of companies needed for a market, he said.

Eventually International Finance Corp. hopes the general public also will get involved. Analysts imate there may be considerable hidden wealth in the country, as only 10 percent of the population uses formal financial systems, according to Vietnam's Central Institute For Economic Management. The institute estimates that there may be \$2 billion available for investment.

# Malaysia Says Japan Balks in Car Project

KUALA LUMPUR - Prime Minister Mahathir Mohamad asserted Monday that Mitsubishi Motors Corp. was too slow in transferring technology for Malaysia's national car and said he might turn elsewhere for help.

"They have this Japanese philosophy of doing things step by step and to us this is too slow," Mr.

Perusahaan Otomobil Nasional Bbd., the nine-year-old venture that makes Malaysia's Proton car, is 17 percent owned by Mitsubishi Motors and Mitsubishi Corp.

Heavy Industries Corp. of Malaysia is the major shareholder in the publicly traded company.

Mr. Mahathir said Mitsubishi was reluctant to allow Malaysians to produce the engine and trans-mission parts by themselves and said Kuala Lumpur could turn to European, American and other Japanese companies if Mitsubishi continued to drag its feet.

The Proton commands 73 percent share of the passenger-car market in Malaysia. About 20 percent of the 150.000 Proton cars produced yearly are exported to Britain.

# Very briefly:

· Australia could experience one of the strongest economic growth rates outside Asia this year, with annual expansion reaching 5 percent and leading to an interest-rate rise in late 1994, Westpac Banking Corp. said. • Bank of China Group will issue Hong Kong dollar banknotes in May. more than three years before the colony's scheduled return to Chinese sovereignty, China News Service said, quoting Xu Wenchuan, assistant general manager of the bank's Hong Kong branch.

Playmates Toys Holdings Ltd. said 1993 profit crept upward to 349.8 million Hong Kong dollars (\$45 million) from 348.5 million dollars in 1992. The maker of Teenage Mutant Ninja Turtle toys said 1992 profit had been restated to reflect the split of its real estate unit from its toy-

 China and Israel agreed to set up a \$13 million joint venture to repair aircraft, the China Daily said. The venture, Beijing TIRA Aircraft Components Services, is due to start operating in October, the official newspaper said.

# Seeking Cash, TI Signs Taiwan Pact

TAIPEI - An alliance between Texas Instruments Inc. and the Taiwan government may help the U.S. semiconductor maker fund a vice president of the venture. \$400 million expansion at a jointventure memory chip plant, an offi-cial with the venture said Monday. TI-Acer, which is 58 percent Jerry Junkins, chairman of Texas owned by the Taiwan personal Instruments, signed a letter of intent in Taipei on Monday to form

an alliance with the Ministry of

That's the indirect impact of

may indirectly help Texas Instru-ments persuade the state-run Chiao

Tung Bank to invest in the venture,

called TI-Acer Inc., said R. T. Lo, a

computer maker Acer Inc. and 26 percent by Texas Instruments, Economic Affairs. The agreement to raise funds for the expansion.

# Hongkong Land Fails to Capitalize

'HONG- KONG -- Hongkong Land Holdings Ltd., which owns most of the colony's top office and retail buildings, reported Monday a slight increase in net profit for 1993

despite a local property boom. Net profit for 1993 edged up to \$306.5 million from \$305 million a year earlier, with a \$21.2 million loss from its 25 percent stake in British-based Trafalgar House

#### More Satellite TV for Asia Agence France-Presse

HONG KONG - China Entertainment Television Broadcast Ltd., a. Hong Kong-based television iroadcast Ltd., a Hong Kong-based television broadcaster, said Monday it would launch 24-hour Chinese-language satellite programming in Asia. Hongkong Telecom Ltd. will provide the link with APSTAR-1, China's first wholly owned commercial condition which is expected to be satellite, which is expected to be launched in midyear by APT Satel-

took a large writedown against assets late last year.

arm of Jardine Matheson Holdings 1995 as it takes advantage of the Ltd., also made a one-time profit of real estate boom. \$213.2 million on the sale of a new (Bloombe office tower in the central busines district. Rental income actually fell slightly because of the sale of the building, edging down to \$385.1 million from \$390.2 in 1992, said Simon Keswick, the chairman of Hongkong Land.

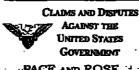
But Mr. Keswick said he expected rental income to rise in 1994

because of increases on renewed leases. The company's property was 99.6 percent occupied at the end of 1993 and rents have been pushed up sharply because many businesses are positioning them-selves in Hong Kong to establish links with China.

"The Hong Kong commercial property market remains strong,

PLCdenting earnings growth. Tra- and the group's rental income will falear, the construction, engineer- begin to grow once again in 1994," ing, hotel and shipping company, Mr. Keswick said. Analysts said they expected ets late last year. Hongkong Land's net profit would increase 18 percent in 1994 and

leases and more expensive new



PACE AND ROSE !-

(Bloomberg, Reuters, AFX)

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Duff Forecasts and Market Myths for 1994
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wond use. Japan's economy & stock market will be weak. You did
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# A Year of Expansion

■ Profit after taxation

Earnings per ordinary share + 4%

Dividends per ordinary share + 5%

After a further year of investment in Asia, Australasia and Europe, the Group, including associates, now has:

■ Sales of US\$9.6 billion

2.440 retail outlets 80,000 employees

> "With its extensive experience in discount food retailing, the Company is well placed to retain its leadership in the markets which it serves. In 1994, Dairy Farm's focus will be on the development of its existing businesses and the search for expansion opportunities into new markets, particularly in the Asia-Pacific Region."

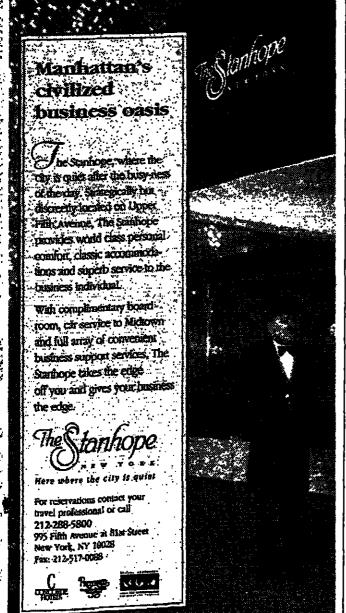
Simon Keswick, Chairman 17th March 1994

1993 RESULTS		
	Year ended 31	st December
	1993	1992
	US\$m	US\$n
Turnovêr	4,979.6	4,738.7
Operating profit	162.3	155.3
Share of profit of associates	98.5	84.2
Other operating income	10.0	6.6
Profit before Interest	270.8	246.1
Net interest expense	(18.5)_	(26.3
Profit before taxation Taxation	252.3	219.8
Company and subsidiaries	(29.3)	(19.9
— associates	(25.2)	(22.2
Profit after taxation	197.8	177.7
Minority interests	(0.3)	0.1
Profit after taxation and minority interests	197.5	177.8
Extraordinary Items		126.9
Profit attributable to Shareholders	197.5	304.7
Preference dividends	(8.7)	<u> </u>
Profit attributable to ordinary Shareholders	188.8	304.7
Ordinary dividends	(95.5)	(89.2
Retained profit for the year	93.3	215.5
Shareholders' funds	1,001.1	726.3
	US¢	US
Earnings per ordinary share	11,28	10.6
Dividends per ordinary share	5.65	5.38

Dairy Farm International Holdings Limited Incorporated in Bermuda with limited liability



The final dividend of USc4.10 per ordinary share will be payable on 8th June 1994, subject to approval at the Annual General Meeting to be held on 31st May 1994, to ordinary Shareholders on the register of members at the close of business on 8th April 1994, and will be available in cash with a sortp alternative. The ordinary share registers will be closed from 11th to 15th April 1994 inclusive. The ordinary dividend will be available in United States Dollars, Australian Dollars, Hong Kong Dollars and Sterling. Ordinary Shareholders on the Jersey branch register will receive United States Dollars while ordinary Shareholders on the Hong Kong branch register will receive Hong Kong Dollars, unless they elect for one of the alternative currencies by notifying the Company's registrars or transfer agents by 20th May 1994. Ordinary Shareholders whose shares are held through the Central Depository System in Singapore ("CDP") will receive Hong Kong Dollars, unless they elect through CDP to receive United States Dollars.



# **SPORTS**

# **Grand Jury Indicts 3** In Attack on Kerrigan

Compiled by Our Staff From Dispatches PORTLAND, Oregon — The three men who have admitted carrying out the attack on the figure skater Nancy Kerrigan were indicted Monday on racketeering and other charges by a grand jury that has been investigating the case for more than two months.

The indictment contends that Tonya Harding and her former husband, Jeff Gillooly, who have pleaded guilty in plea bargains, also were involved in the plot to injure Kerrigan and knock her out of the U.S. figure skating championships in January.

Shawn Eckardt, 26. Harding's former bodyguard, and Eckardt's associates Shane Stant, 22, and Derrick Smith, 29, were indicted on Oregon state charges including racketeering, assault and conspiracy to commit assault

Eckardt faced additional charges of conspiracy to hinder prosecution and hindering prosecution. Smith also was charged with conspiracy

One of the charges stems from at least one secretly taped meeting in-volving those who participated in

Norm Frink, Multnomah County chief deputy district attorney, indicated that the three may be able to reach a plea agreement to

be talking and we'll proceed from there," he said.

Among the charges in the indictment is that Harding and Gillooly, who cannot face further prosecution because of their plea bargains, agreed with the three defendants on Dec. 28 "to unlawfully, intentionally and knowingly cause physical injury to Nancy Kerrigan.

Harding pleaded guilty last week to conspiracy to hinder prosecu-tion. Gillooly pleaded guilty Feb. 1 to one count of racketeering.

Harding was placed on three years' probation, resigned from the U.S. Figure Skating Association, was fined \$100,000, will contribute \$50,000 to the Special Olympics and agreed to pay \$10,000 in prose-cution costs. Gillooly is to be sentenced April 1.

The indictment issued Monday outlines 61 incidents, mainly phone calls among the defendants, that allegedly constitute "a pattern of racketeering activity."

Eckardt and Smith were arrested Jan. 13. Stant surrendered to authorities in Arizona the following day. All three initially were charged with conspiracy to commit assault and were free on bail pending the indictment

Eckardt, a friend of Gillooly's since childhood, has admitted helping to plan the attack and contacting Smith to carry it out Stant is Smith's nephew and

shares his uncle's interest in paramilitary activity. Stant went to Massachusetts to carry out the attack, but when that plan fell through he followed Kerrigan to Detroit, where she was preparing for the national championships. On Jan. 6, Stant struck Kerrigan

above the right knee with a metal police baton, then escaped the are-na by butting his head through the plexiglass window of a locked door.
With Kerrigan out of the competition because of injury, Harding won the U.S. championship. Smith was the intermediary who

funneled money from Gillooly and Eckardt to Stant and drove the get-Kerrigan recovered from the injury and went on to win the silver medal in the Winter Olympics last month in Lillehammer, Norway.

#### ■ Harding in Paris Event?

(AP. Reuters)

Harding finished eighth

Harding may make her debut on the professional skating circuit at the world championships in Paris in May, according to the event's organizer, Agence France-Presse reported on Monday.

The event official, Philippe Angel, said that Harding's agent had contacted him to discuss her particular to the province.

contacted him to discuss her participation in the championships May 17-18. Angel said he would consid-



ONE MORE FOR THE GREAT ONE - Los Angeles's triumphant Wayne Gretzky, who tied one of hockey's mightiest records, scoring twice in a 6-6 tie with San Jose to equal Gordie Howe's National Hockey League mark of 801 career goals. Gretzky is to play again Wednesday.

SUNDAY'S RESULTS

# New Unrest Feared: Kall As Vandals Protest Berlin Soccer Game

BERLIN — Berlin soccer officials, whose headquarters were at-tacked on Monday, said they feared that a battle between hooligans from four European countries could mar a controversial Germany-England

friendly match next month. Militant opponents of the match. which is to be held on April 20, the anniversary of Hitler's birthday, smashed windows and threw stink bombs into the Berlin soccer federation's office during the night.

The federation's chief, Reiner Gentz, said the attack had probably come from leftist groups campaigning against the match. But he said he feared a battle between hooligans from England, Germany, France and the Netherlands at the game.

"The damage is in thousands of marks," he said. "We have to assume that the attack came from left-wing groups but the police are "Security officials have indicated to us that hooligans from around

Europe — England, France and the Dutch — are planning to meet in Berlin and take on the right-wing extremists around the game," he The match was originally moved to Berlin from Hamburg because of

fears of clashes between rightist

But the choice of Berlin's Olympic stadium, the venue of the 1936 Olympic Games, which were used by Hitler as a showcase for his Nazi theories, was controversial and has been opposed by leftist groups.

A slogan painted on a wall at the federation, which is known by the initials DFB, read: "No game on April 20. We are against the DFB and Nazis."

Gertz said leftist groups planned a demonstration against the match in Berlin on April 9. But he said there was no question

of the game being cancelled or the date being changed. "We are going on with it. We are planning the necessary security measures," he said. "Switching the date would not change anything and would be a chimb down for

democracy. The right-wingers would come anyway. Federation officials were not imavailable for comment but have said in the past that they were determined that the match go shead as part of the world champions' preparations for the World Cpp this summer in the United States.

Berlin's militant leftist groups are well-organized and mounted an aggressive campaign against the citys-recent failed bid for the 2000 Olympics. They say the friendly match would provide a platform for fascists

## SIDELINES

#### Chisox Demote Jordan to Minors

SARASOTA, Florida (AP) - Michael Jordan was reassigned to the Chicago White Sox minor-league camp on Monday and was expected to start in right field for Class A Prince William.

But Jordan was not assigned to the Class A team; he will work out with the Double A Birmingham team. The White Sox general manager, Ron Schueler, said Jordan could play for Triple A Nashville on Wednesday, and may switch each day. Jordan, 31, the three-time National Basketball Association MVP, was 3-for-20 in 13 spring games with four walks, two RBIs and a sacrifice fly.

"I've always truly loved the game of baseball," Jordan said of the demotion. "I guess in basketball, I had certain expectations that I had to live up to. In baseball, I didn't know what expectations to set for myself except to enjoy the game."

#### Ex-Bordeaux Owner Gets Jail Term

BORDEAUX (AP) -- Claude Bez, former owner of the Bordeaux soccer team, was sentenced Monday to one year in jail and fined 2 million francs (\$400,000) for fraud.

Bez, whose team dominated the French league for much of the 1980s, also was ordered to pay 2.5 million francs in damages and interest to the governing council of Gironde, the district surrounding Bordeaux. Bez was accused of fraudulently overbilling local authorities by more than 10 million francs for the 1987 renovation of facilities at his team's training center outside Bordeaux. Defense lawyers indicated they had not yet decided whether to appeal.

#### For the Record

Michael Bentt, who suffered brain injuries in a heavyweight title fight a Saturday, was released from a London hospital Monday and an associate said he was "feeling fine."

Martin Brundle of Britain was confirmed on Monday as the McLaren Formula One teammate to Finland's Mika Hakkinen for the Brazilian Grand Prix in São Paulo on Sunday. Brundle, 34, was added to the team along with Philippe Alliot of France.

Loren Roberts, capitalizing on faltering stretch runs by Fuzzy Zoeller and Vijay Singh, shot a 5-under-par 67 to win the Nestle Invitational, his first victory on the U.S. PGA Tour, by a stroke with a 13-under 275 total in Orlando, Florida, on Sunday.

The left-hander Frank Tanana, 40, was released Sunday by the California Angels, the same major-league baseball team with which he started 20 years ago as a rookie.

# **SCOREBOARD**

#### BASKETBALL **NBA Standings**

8 57 .122
Pecific Division
47 17 .734
42 22 .656
39 27 .571
37 27 .578
26 37 .413
24 37 .381
23 42 .334
voff sort SUNDAY'S RESULTS Attenta 31 25 25 28—101 Beston 22 25 21 12—20 A: Willis 13-25 5-9 31, Bloylock 7-18 2-2 18, B: Douglas 6-12 0-0 13, McDaniel 6-21 6-12 18, Re-

Alicense 39 18). Assists—Alicense 39 18). Assists—Alicense 30 22 36 23—124
41 17 18 39—115
41 17 18 6-5 32 C S: Gill 8-15 4-6 22, Payton 13-18 6-8 32, C; Mourning 8-15 24 18, Bogues 10-11 0-1 20, Re-bounds—Seattle 45 (Schrempf, Kerne 11), Chorlotte 55 (Brickowski 11), Assists—Seattle 30 (Kerne 12), Chorlotte 30 (Bogues 15). Philodelphia 21 27 30 21—101 Milwaukse 19 38 34 20—163 Mirecurse
P: Weatherspoon 16-17 5-4 25, Woolridge 1917 2-2 22, M: Edwards 11-17 6-0 23, Murdock 9-16
0-1 18, Rebounds—Philodelphia 49 (Veloriterspoon, Leckner 7), Allywuikse 49 (Edwards, Norman, Boker, Murdock 7), Assists—Philodelphia 91 (Philosphia) 9

Apparetus III 53 24. B. Williams PJ. Assists—Washington 13 (Gugliotto, Walker 6), Deriver 59 (8. Williams PJ. Assists—Washington 12 (Gugliotto 4), Deriver 25 (Pock 10). Portland LA. Clippers 31 21 36 26—114 P.; H. Gront 14-20 0-0 28, Porter 6-18 3-3 21. P. H. Grotin 14-20 60 2s. Profile 5-18-3-3 2t.

A.: Wilkins 19-2-6-7 2s. Spencer 9-14-6-8 2t.
Horper 7-16 8-11 22. Rebounds—Portland 63
(8. Williams 14), Los Anseles SS (Ourise, Wilkins, Spencer 8), Assists—Portland 24 (Strickland 8), Los Anseles 25 (Harper 9),
Oriendo 17 26 24 24-91

LA Leikers 27 18 25 27-47

O Children 12-18-5-10-28. Hardmann 4-113-16-1 LA. Lekers 27 18 2 22-77
C; C'Neol 12-19-10-29, Hardoway 6-13-5 16,
LA.: Campbell 9-16-2-2 20, Threatt 12-24-5-5 30,
Rebounds—Orlando 35 (C'Neol 1a), Los Angeles 46 (Campbell 13), Assists—Orlando 24 (Hardaway 12), Los Angeles 27 (Divac 9). HOCKEY " **NHL Standings** EASTERN CONFERENCE

Aftentic Division

W. L. T. Pts. GF. GA

-N.Y. Rangers 44 22 6 94 256 209

New Jersey 41 21 10 92 265 192

New Jersey 41 21 10 92 265 192

New Jersey 41 21 10 92 265 192

New Jersey 41 21 17 3 200 197

Nonincip 31 29 11 73 200 197

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C 29 36 7 65 235 244
rd 24 41 8 56 196 244
11 54 8 30 170 345
WESTERN CONFERENCE W L TPS GF GA x-Terente x-Detroit x-Delles Chicago St. Louis

C: Pippen 6-20 2-4 14. Grant 9-20 6-0 18. M; King 5-8 9-14 19. Rider 9-18 6-6 25. Rebounds— Chicope 61 (Pippen 11). Altirectot 43 (Brown 9). Assists—Chicogo 30 (Myers, Kerz 8), Min-

Abdul-Rouf 10-17 3-3 23, B. Williams 7-9 2-2 16.

Taresso
First Period: C-Moclimis 23 (Fleury, Roberts); C-Reichel 34 (Moclimis); T-Monderville 6 (Gilmour, Moclimis); T-Monderville 6 (Gilmour, Moclimis); (pp), Second Period: C-Fleury 22 (Reichel, Moclimis); (pp), T-Chark 39 (Gilmour, Berehowsky); C-Reichel 33 (Wolz, Moclimis) (pp), T-Chark 39 (Gilmour, Berehowsky); C-Reichel 35 (Wolz, Moclimis) (pp), T-Chark 39 (Gilmour, Berehowsky); C-Reichel 35 (Wolz, Moclimis) (pp), T-Chark 39 (Gilmour, Berehowsky); C-Reichel 35 (Wolz, Moclimis) (pp), T-Hard Period: C-Roberts-16 (Moclimis, Sterm); (en), Shorts on goal: C (on Potvin) 6-148-28. T (on Vernon) 11-5-28. Washington 1 1 1-3
Tampo Boy 9 0 9-0
First Period: W-Miller 8 (Cote, Konowal-chuk), Second Period: W-Johnsson 7 (Hotcher, Phranko); (pp), Shots on goal: W (on Puspo) 12-12-8-32. T (on Becupre) 7-79-21. Ottowa 1 1 0-2
Boffoto 1 0-4 (Moclimis) (pp), Second Period: B-Howerchuk 30 (Moclimy); (pp), Smehlik); (pp), B-Howerchuk 30 (Moclimy); (pp), Smehlik); (pp), G-Quino 3 (Yoshin, Leroux); B-Smehlik); (pp), O-Quino 3 (Yoshin, ried: 8-Howerchuk 11 (Mogillay, Kharylev); (pp), O-Gluin 3 (Yoshin, Leroux); B-Smehlik 14 (Hannon); (sh), Third Pariod: B-Kharylev 24 (Hawerchuk); (pp), B-Wood 19 (Petrenko, Smehlik); (pp), Shebe on goal; 0 (on Hosek) 7-3-5-15. B (on Billington) 12-12-11—35.

cher); LA-Gretzky 35. Second Period; S.J.-Dohlen 20 (Elik, Goudreau); (pp). S.J.-Mo-karav 24 (Larianov, Norton); L.A-McSorley 7 (Kurri, Sydor); (pp). S.J.-Whitney 8 (Elik, Falloon); S.J.-Goudreau 13 (Elik, Pederson); (pp), L.A.-McReynolds 1 (Congcher, Bloke Third Period: L.A.-Druce 18 (Lans, Con-ocher): ISJ.-Mokarov 25. ISJ.-Falloon 21. (Whitney, Bokar): IL.A.-Gretzky 36 (Zhitali, Kurri), Shoth on good: L.A. ton 170e) 94-8-2—27. S.J. (on Hrudey) 12-18-85—41. Philiodelphia 1 1 1—3 Florida 1 2 2—5

berg); (pp), Second Period: P-Brind'omour 25 (Rocine, Renberg); (pp), F-Mellanby 27

berg 32 (Rocha, Lindros); F-Skrudiend II (Fitzperold, Hough); (en). Shots on gool; F (an Vanblesbrouck) 12-18-18—48. F (an Soder Strom) 11-8-6—25.

Pittsburgh 0 1 1—2
N.Y. Islanders 1 6 0—1
First Period; N.Y.-Thomas 36 (Turgeon, King). Second Period: P-Sievens 37 (Francis, Jogr); (pp). Third Period: P-Mullen 36 (Jogr, Wragget). Starts on good: P (an Hexitali) 12-10-13-35. N.Y. (on Wregget) 145-9-25.

Quebec 1 1—3
First Period: Q-Kamensky 23 (Fins, Sundia). Second Period: E-MocTovish 16 (Buchberser, Kravchuk): E-Grieve 10 (Ciger): Q-Kavalenko 15 (Rucinsky, Gusarov): E-Kravchuk 10 (Benneff, McAmmond): (pp). Third Period: Q-Kamensky 24, E-Pearson 17 (Werenko, Kravchuk): E-Staplehon 10 (Ciger). Shots on soat: E (on Thibouti, Clouder). Shots on soat: E (on Thibout

First Period: V-Bure 47 (Craven); D-Croig 11 (Modono). Overtime: D-P. Braten 11 (N. Broten). Shots on sect V (on Moop) 7-10-9-0-26. D (on Whitmore) 10-10-10-1-31.

#### TO SERVICE A

Major League Scores PRE-SEASON EXHIBITION GAMES New York Mets 7. Los Angules 6 Affanto 6. Konsas City 1 Cleveland 7. Cincinnati 6 Chicago White Sax 5, Florido 4 Philadelphia 8, Baltimore 6

Princephine a, Solimore a Detroit & Piltsburgh 6 Montreol 9, New York Yonkees 5 Alineseto 11, Beston 7 St. Louis 3, Taronto 1 Texes 3, Houston 2

Colorado (ss) 7, Colifornia (ss) 0
San Diego 5, California (ss) 2
Oakland 4, San Francisca (ss) 3
Milheutide 6, Sentite 2
Colorado (s.) 3, Chicago Cube (ss) 2

LIPTON CHAMPIONSHIPS In Key Biscoyne, Florids Men's Singles, Florid Pete Sampros (1), United States, del. Agossi (24), United States, 5-7, 6-2, 6-3.

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#### SKIING

and leftist extremists.

**World Cup** 

WOMEN'S SLALOM
Results Sunday from Vail, Colorado: 1,
Vreni Schneider, Switzerland, 1 minute, 35,91
seconds; 2, Kafla Karen, Slovenia, 1:37,42; 3,
Marilina Eril, Germany, 1:37,54; 4, Urska Hrovat, Slovenia, 1:37,59; 5, Marilana Kloerska, 1:38,15; 7, Beatrice Filliol, Prosce,
1:38,21; 8, Patricte Chauvet, France, 1:38,51;
9, Christine van Gruenigen, Switzerland, 1:38,55; 10,
Christine van Gruenigen, Switzerland, 1:38,55
11, Elfi Eder, Austria, 1:38,90; 12, (He) Lara
Mogoni, Italy, and Anifa Wachter, Austria, WOMEN'S SLALOM 1). Elfi Eder, Austria, 1:26,90, 12, (fie) Lora Magoni, Italy, and Anita Wachter, Austria, 1:36,98; 14, Alenko Dovzon, Slavenša, 1:39,91; 15, Roberta Serro, Italy, 1:29,11; 14. Katla Selzinger, Germany, 1:41,28; 17, Bibkana Perez, Italy, 1:24,15; 18. Stannon Nabla, United States, 1:44,96. Debarah Compagnoni, Italy; Kristina Andersson, Swaden, and Jeonnette Korten, Austria, did not finish first run. Kezuka Ikeda, Japan; Christi Hoper, United States; and Anna Paristen, United States; were disqualified in first run. Annetise Coberger, New Zaciand, did not starf second run.

berger, New Zaoland, did not start second run. Garbriela Zingra, Switzerland, and Laure Pe-euegaot, Franca, did not finish second run. Finet siciant standings: 1, Schneider, 809 points; 2, Pernilla Wiberg, Sweden, 620; 3, Hro-vol. 38; 4, Eril, 372; 5, Morena Gallizia, Italy, 344. 4, Michaeld 270; 2 per Girupton 245; 4 vor. 38; 4, Ert. 312; 5, Morento Gallizia, Italy, 26; 6, Kjoerstod, 279; 7, von Gruenigen, 245; 8, Chouvet, 23; 9, Wochter, 215; 18, Anderson, 288, Finel overall standings; 1, Schneider, 1,456 points; 2, Wibers, 1,343; 3, Seizinger, 1,195; 4, Wochter, 1,357; 5, Ertl. 943; 4, Compagnoni, 841; 7, Ulrike Maler, Austria, 711; 8, Perez, 667; 9, Kloerstod, 570; 10, Hrovat, 522, Austria

Final everall steadings: 1, Kjetti Andre Ao-modi, Narway 1,372; 2 Marc Girardelli, Lux-entbourg, 1,007; 3, Alberto Tomba, 19ay,222; 4, Guenther Mader, Austria, 820; 5, Honnes ta,701 ; å, Jan Elinar Thoc woy, 657; 7, Lasse Klus, Norway, 657; 8, Tornmy Mos. United States, 650; 9, Affe Skoardal, Nor-way, 641; 10, Cary Mullen, Canada, 525.

#### **TRANSACTIONS**

BASEBALL American League
BALTIMATE—Sent Rick Krivda and John
O'Donostue, elicters; Gree Zaun, calcher;
Jim Wawruck and Sherman Obando, cutfielders, to Rochester, IL. Sent Armondo Ben

d Rick Forney, pitchers; and Alex Ochoo, Hielder, to Bowie, EL. Sent Mel Wearing, Hielder, and Cesar Devarez, catcher, to their minor-league comp for reassignment. Released Todd Frahwirth, plicher. BOSTON—Sent Tim Vanegmend, pitcher,

and Matt Stairs, authielder, to Pawtucket, IL.

and Scott Hottebers, catcher, to New Britals, EL. Sent Gar Finnvold and Joe Caruso, price, en., Poul Thoutsis, outfielder, and Alike Twardooki, 1st baseman, to their minor-league camp for reassignment. Extended confract of Alike Greenwell, outfielder, for 2 years mrough 1996 season. Signed Jeff Pierce, pricher.
CALLFORNIA—Released Frunk Tonona en. Shown Hillegas, prichers. Sent John Farrelling Pete Jankol, prichers, to minor-league cases for reassignment. Signed Mark Leiter, picher., CHICAGO WHITE SOX—Sent Jones Bejters, and Drew Denson and Brondon Wilson, Infleider, to Machinite, AA. Sent Luis Andulor and Brian Keyer, pilchers, Julia Vinas and Clemente Hillegas, pilchers, and Green Disociano, infleider, to Birmingham, SL. Sent Sont Christmen and Brian Keyer, pilchers, Julia Vinas and Clemente Advance, catchers Rev. Durham, Infleider; and Greg Tubbs, outfleifer. In their minor-league camp for reassignment. DETROIT—Released Tom Boltan and Mark Letter, pilchers.

Mark Letter, pitchers. TORONTO—Sent Rick Hollfleid, outlielder, and Tilson Brito, infletder, to Knowlife, Seshown Green, outlielder; Howard Bottle, Sefelder; Azron Small, pitcher, to Syrocus, it, and Angel Martinez, catcher, to Dunedle, FSL.

# GOLF J.

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Nick Price, Zimbobwe 66-72-68-70-77 (S. Vilay Singh, Fili) 68-69-69-71-69-277
Greg Norman, Australia States 68-67-71-69-277
Greg Norman, Australia States 77-71-67-228 Tom Lehman, United States 72-47-68-71-277
Tam Warson, United States 69-70-67-73-277
Andrew Masses, United States 70-07-69-74-255

#### Gien Day, United States 70-68-72-71-4281 CRICKET

FIRST TEST India vs. New Zesiand, Third Day Monday, in Kamilton, New Zesiand India 1st Indiags: 246 all put New Zesiand Zd Innings: 39

SECOND TEST Australia vs. South Africa, Fifth Day\_ Monday, in Cape Town South Africa 2d Innines: 164 (90.3 overs) Austrolia 2d Innines: 921 (25,1 overs) Austrolia von by nine wickers; seriestied 1.4.3

England vs. West Indies, Fourth Day
Sunday, in Georgetown, Guyana England 2d Innings: 179-4

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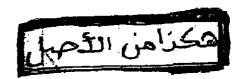
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# SPORTS

# rest Feared Arkansas Rallies Past Georgetown, Duke Stops Michigan St. Louisville Finishes Off Minne

But the impact of Beile of 16. N.C. A&T (16-13) 1. Morth Carolina (27-6) l. Whols (17-10) 16. Liberty (18-11) Coords with the second 9. Georgetown (18-11) NCAA B. Washington St. (20-10) 1. Arkansas, 85-73 (27-3) 12. Tulsa, 82-80 (23-7) 5 UCLA (21-6) Boston College (20-18) 9. Boston College, 75-72 (22-10) 5. Indiana, 67-58 (21-8) 12. Tutsa (21-7) 5. Indiana (19-8) 4. Oktahoma St. (23-9) 12. Ohlo (25-7) match. STREET DEE THE TOTAL TO 13. New Mexico St. (23-7) . Templa (22-7) REUMON ARENA 6. Texas (25-7) 13. Drezel (25-4) 11. W. Kantucky (20-10) rindus.

W stink Germanian Supplier of the Reservoir Supplier of the R 6. Nebraska (20-9) 11. Pennsylvania (24-2) 3, Michigan (21-7) 14. Pepperdine (19-10) 3. Florida (25-7) 3. Michigan, 84-79 (23-7) 10. Maryland, 95-87 (18-11) 7. \$t. Louis (23-5) 3. Florida, 70-58 (27-7) 2. Connecticut, 75-63 (29-4) 10. Maryland (15-11) 7. UAB (22-7) CHARLOTTE 10. Geo. Washington (17-11) 15. SW Texas St. (25-6) CHARLOTTE (N.C.) CHARLOTTE (N.C.) COLISEUM 15. Rider (21-8) 16. Navy (17-12) 1. Purdue (26-4) 16. Central Florida (21-8) 8. Cincinnati (22-9) 8. Providence (20-9) 9. Wisconsin (17-10) 3. Alabama (19-9) Missouri, 109-96 (27-3) Syracuse, 64-59 (23-6) 5. California (22-7) 5. Wake Forest (20-11) 12. Wis.-Green Bay (26-6) 12. Col. of Charleston (24-3) Syracuse (21-6) 13. Hawali (18-14) 4. Kansas (25-7) LOS ANGELES SPORTS ADENA 13. Tenn.-Chattanooga (23-6. Mirunesota (20-11) 11. Southern Winois (23-6) 11. SW. Louislana (22-7) 3. Louisville (25-5) 3. Kentucky (26-6) 14. Boise St. (17-12) 3. Louisville, 60-55 (28-5) 2. Arizona, 71-58 (27-5) 14. Tennesage St. (19-11) 7. Virginia (17-12) 7. Michigan St. (19-11) 10. New Mexico (23-7) 16. Seton Half (17-12) 2. Arizona (25-5) 2. Duke (23-5) Source: AP 15. Loyola (bld.) (17-12) 15. Texas Southern (19-10)

# Louisville Finishes Off Minnesota

By William C. Rhoden

مكنامن الأجل

OKLAHOMA CITY — Arkansas avoided being added to the rash of National Collegiate Athletic Association upsets in the Midwest Re-

The Razorbacks trailed early, survived a first-half brawl then put the clamps on Georgetown and cruised to a 85-73 victory in a second-round game.

The Hoyas made just 10 of 30 shots in the second half while Arkansas made 15 of 22 and ripped Georgetown apart with an inside attack led by Corliss Williams. Dwight Stewart and Darnell Robinson. Williams scored 21 points, Stewart 16 and Robinson 13

The top-seeded Razorbacks will face No. 12 Tulsa next in Dallas. The Golden Hurricanes shot their way into the Sweet 16 with an 82-80 victory over fourth-seeded Oklaho-

Nolan Richardson, the Arkansas head coach, made his mark at Tulsa

before going to Arkansas.
The Arkansas-Georgetown game had been heralded as a clash of matching styles and hard-nosed players, with two coaches who had never faced off before but were good friends: John Thompson of Georgetown and Richardson.

think the world of John,"

ternoon's game. "I love John. I think John's one of the greatest men I've ever met in my life."

In the last five months, the two coaches have been outspoken advocates of issues advanced by the Black Coaches Association. Before the game, both men hinted that their might be some type of symbolic protest to show opposition to a wide-ranging menu of National Collegiate Athletic Association leg-

Instead of a protest, the players staged a turf war, and whatever affection the coaches had for each other was not transferred to the

With 3 minutes 23 seconds left in tory. the first half of a hard-fought, fastpaced battle, Arkansas took a 34-33 lead on a 3-point shot by Al Dillard. But after a Georgetown miss and ensuing battle for the loose ball, Robert Churchwell tied up Clint McDaniel and the two tumbled to the court.

McDaniel shot an elbow to Churchwell's head and then threw a kick as he got up.

As the two squared off, order was quickly restored. But two play-- Don Reid from George and Scotty Thurston for Arkansas were ejected for leaving the

As for the play, Churchwell was good Docalled for a foul and McDaniel was player." hit with a technical. Arkansas went into halftime leading by 43-39.

The break did little to stem the flow of aggression or to slow the

The Hoyas tied Arkansas, 43-43, on baskets by Butler and Othella Harrington. But then Arkansas, which had threatened several times to go on a tear, outscored Georgetown by 14-7 and led, 57-50, after a tough inside hoop by Corliss Wil-

The Hovas blundered away two possessions on turnovers, and Corey Beck scored for Arkansas to stretch the lead to 59-50.

Williamson made the score 61-50 with a jumper. Joey Brown kept Georgetown in contention with a layup, but then Arkansas took off. The Razorbacks outscored the Hoyas, 13-4, and led by 73-56 after pair of foul shots by Beck. He iter added another free throw and Arkansas led, 74-58, with 6:56 left. But just as it seemed that Georgetown would be run off the

Harrington made 3 straight foul shots and George Butler made a basket to cut the lead to 76-65 with 4:58 left. Williams powered in a basket for Arkansas, but John Jaques hut a jumper and Georgetown forced a turnover with 3:40 left to

The Hoyas failed to score on that possession, and Williamson added a basket to boost the Arkansas lead to 80-67 with 2:43 left.

With 1:48 left in the game, the lead had been cut to 80-71 after three trips to the free-throw line gained 4 points for Georgetown. But Arkansas then scored five unanswered point to secure the vic-

In other games, The Associated

SOUTHEAST Duke 85, Michigan State 74: Duke reached the round of 16 be-

hind All-American Grant Hill's 25 points, advancing to the regional semifinals for the eighth time in the last nine years. Cherokee Parks added 24 points

for Duke, which shut out high-scoring Shawn Respert until early in the second half. Respert used a late flurry to finish with 22.
"Maybe this isn't the Duke of

past years," Michigan State coach Jud Heathcote said. "It is a really good Duke team with a great, great

Respect, averaging nearly 25 points, was held scoreless on just one shot in the first half and forced into six turnovers. His first basket Spartans' deficit to four points, the

closest they would come the rest of

Louisville 60, Minnesota 55: Dwayne Morton scored 26 points and Louisville won a battle of 3pointers to finish off Minnesota. The teams combined for 19 longrange baskets, with Morton nailing five of them. He also scored five straight points that put the Cardiad to stay with 1:20 left.

Morton tied an NCAA regional record by shooting a perfect 5-for-5 from 3-point range Morton finished 7-for-7 from the field and did not miss any shot

Voshon Lenard led sixth-seeded Minnesota (21-12) with 20 points, including four 3-pointers.

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Georgetown's Robert Churchwell grabbed Arkansas's Clint McDaniel, prompting a first-half brawl.

# The Making of BC's Legend Is the Unmaking of Another By Tony Kornheiser Washington Post Service Washington — You'll remember that Boston College had a shot at the No. 1 team in the junior years, finally making the NCAA this year after

nation back in November, too. That was football, of -course. And the No. 1 team was Notre Dame, as legendary a name as there is in college football. BC won that game - won it close and won it late. Stunned the whole country.

"As you might imagine, BC has a tape of that game. Sunday morning it was shown to another BC team that

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**Vantage** 

egendary a name as there is in college basketball. Showing the tape was Larry Grier's idea. He's one of the BC managers, and he cleared it with Jim D'Brien, the coach. About an hour before the team was to board a bus for the arena, O'Brien played the "They watched in total silence," O'Brien said. "The nly thing I could hear in the room was them breath-

ng. I knew it was getting to them emotionally, but I in't tell you how much. A few hours later, the BC basketball team won the jame — won it close and won it late. Stunned the vhole country. Who holds Donald Williams to 1-for-2? Who starts out hitting 3s and ends up pounding it uside (BC's center, Billy Curley, had 10 of BC's last 11 points) against Eric Montross, Rasheed Wallace and Cevin Salvadori? Who gives El Deano the bum's rush

Laughing, O'Brien cut off the obvious question at ts knees. "I'm just happy I have a job at BC, believe ne," he said.

\_\_nto a job with the NFL Jacksonville Jaguars.

n the round of 32? A ninth seed? Puh-leeze. You'll

emember that Tom Coughlin parlayed his victory

Three years ago O'Brien almost didn't have that job That was when the core of this team — Curley, Gerrod Abram, Howard Eisley and Malcolm Huckaby vere freshmen. They were 1-15 in the Big East. You could hear people muttering for O'Brien's head all the vay to Brookline. It was a terrible year for O'Brien. lis wife. Christine, died of cancer, leaving behind Jim and their two teenage daughters. As cheerful a man as D'Brien normally is, there were no smiles that year. Fortunately, as it turns out, he stayed at BC, his ilma mater, and steadily built the team around those anyone could make us not play, or him not coach."

a 20-victory season — and even that wasn't enough for some people, because just last week, after BC lost to Georgetown by 23 in the opening round of the Big East tournament, there was talk that O'Brien was once again on shaky ground. Curley, Abram, Eisley and Huckaby scored 61 of

BC's 75 points in the stunner of the tournament so far. To put this victory in perspective: Carolina was not only the top seed and defending champion, Carolina hadn't been out of the tournament before the Sweet 16 since 1980! Nobody beats Carolina this early. El Deano might start smoking again. "I cannot even put into words how happy I am for

these players," O'Brien said. "To have started out the way they did, to have come from so far back, from nowhere really, and to have this happen at the very end of their careers, to have this as their legacy." The BC players were grousing good-naturedly that

nobody had picked them to win; everybody was spec-ulating on who Carolina would beat next — Indiana or Temple? But O'Brien conceded that if he were a sportswriter, he wouldn't have picked BC to beat Carolina either. "It's not so much us, it's Carolina," he said reverently.

Now it's out of the frying pan and into the fire. What kind of reward is it to beat El Deano only to draw Bobby Knight

We can argue Knight's disposition until Doomsday - and by then, believe me, I'll be totally in his pocket - but we can't argue his basketball values: The man teaches impeccable basketball. On offense, the ball follows the screens and moves to the open shooter. On defense, every player sacrifices himself to help his fellows. The only "I" in Indiana is on the uniform.

But his is a hurting team now. Damon Bailey cannot practice. His ribs are so sore they hurt too much to shoot. Pat Graham has broken his left foot twice in the past two years, and though X-rays say it is not broken yet again, it hurts him too much to practice. Brian Evans is playing with a dislocated right shoulder. Sunday, they lost their top reserve guard, Sherron Wilkerson, to a broken leg. This team is being held together with tape and gristle.

And so the Hoosiers will limp toward Miami to meet BC, grateful for the five days of rest. "You've just got to throw the pain away when it's time to play," Graham said. "We're all here out of love for the game. Coach Knight's the same as we are. I don't think

# Parish and Slumping Celtics Fall Flat Against Surging Hawks

Although he was analyzing the atest embarrassment of the Celts, the words of Robert Parish decribed Boston's lost season. "It was a fairly small effort we "Parish said Sunday after the educs were assured of their first sing record in 15 seasons.

ious reign of Larry Bird, is at the NBA HIGHLIGHTS

Parish, a fixture through the glo-

ow ebb of his 18-year career. He ailed to score in Boston's 101-80

oss to surging Atlanta.

It was the second straight time he was scoreless in Boston Garden. Atlanta is one of the top teams n the league and you'd think we'd come out with fire," said Parish, 40. But we were flat and lethargic." Kevin Willis wasn't, nor was he

Willis had 31 points and 14 re-bounds while leading the Hawks to their 10th victory in 13 games.

and 10 assists, and Stacey Augmon 13 points and 11 rebounds.

for the Celtics, who have lost four straight at home, six in a row and 19 of 21 overall. Ed Pinckney added 12 points and 18 rebounds.

Boston, 22-42 with 18 games remaining, will have a losing season for only the fourth time since 1949-50. The last losing season was 1978-79, a year before Bird arrived. Perhaps the most appropriate example of how bad the team has become after the retirements of

Bird and Kevin McHale is that the Celtics have lost nine of their last 10 games at Boston Garden. They were virtually unbeatable at home throughout the 1980s.

SuperSonics 124, Hornets 115: Gary Payton scored a career-high 32 points, and Shawn Kemp had a triple double for visiting Seattle, which drew away with a 17-2 surge in the third period.

Kemp had 15 points, 11 re-

Mookie Blaylock added 18 points and 10 assists, and Stacey Augmon 13 points and 11 rebounds.

Xavier McDaniel had 18 points

bounds and a career-best 12 assists. Minneapolis, Chicago got 18 points from Horace Grant and overcame poor early shooting to maintain a perfect record against Minnesota.

Minneapolis, Chicago got 18 points trailed 26-23 after the first quarter.

The Nuggets stretched the lead to 104-75 after three quarters. making four of six 3-pointers.

Bucks 103, 76ers 101: Rookie Vin Baker's slam dum with a since the Timberwoives entered me rally, and Milwaukee snapped a NBA—made just two of their first nine shots to fall behind 14-8. Vin Baker's slam dunk with 12 sec-

Blue Edwards had 23 points and Eric Murdock 18 for the Bucks, who trailed most of the way. Clarence Weatherspoon had 25 points and Orlando Woolridge 22 for the

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The Bulls - winning their fifth straight game while increasing their record against Minnesota to 10-0

Nuggets 132, Bullets 99: Denver set a season high for points and margin of victory, despite a careerhigh 39 points by Washington's Rex Chapman. Washington, on a five-game road

visiting 76crs. Washington, on a live-game road trip, led briefly 12-7, but despite a

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Mahmoud Abdul-Rauf led Denver with 23 points. Clippers 114, Trail Blazers 110: Dominique Wilkins scored 26 points and Los Angeles capitalized on foul trouble by Clyde Drexler and Harvey Grant down the

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss. At home, the Trail Blazers have

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won 10 straight.

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(Continued From Page 8)

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Grant led the Blazers with 28 points, one short of his season high Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead. Vlade Divac, who was 1-for-9

from the floor, hit a pair of free throws with 20.5 seconds remaining to give Los Angeles its second victory over the Magic this season. Shaquille O'Neal had 17 of his 29 points in the second half and added

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#### ART BUCHWALD

# For Tonya, a Hard Sell

WASHINGTON — It isn't as casy to sell Tonya Harding commercially as one might think. At one time she was hot on the testimonial advertising circuit. But for some reason after she plea-bargained I couldn't get any interest in her. Apart from the TV miniseries

and "Inside Edition," the only ones to make a firm ya's services are the Japanese wrestling pro-moters who feel that Tonya is made for the sport. I told them I would like to see some



yen before ! Buchwald closed a deal. I called the Mega Billiard Cue people and suggested that Tonya do commercials for them. I thought that she could hold the Mega cue in her hand and give it credit for furthering her career. They didn't say no right away.

Next I telephoned the Atlas Shoelace Company and told them they were missing a sure bet if they didn't hire Tonya to push their

"unbreakable" shoelaces.
I made the pitch, "The opening scene of the commercial would be in Norway showing a tearful Tonya with her leg up on the judges' table, pointing to a broken shoelace. In the next scene she would be wearing your shoelaces and skating around happy as a lark.

#### Globe Theatre Fund Gets a £300,000 Gift

LONDON - Plans to rebuild William Shakespeare's Globe Theatre on the banks of the Thames in London got a boost Monday with a £300,000 (\$450,000) donation.

The American actor Sam Wanamaker, who died in December, had campaigned worldwide to raise £8 million to rebuild the 16th-century wooden theater. "It is vital that the work started by the late Sam Wanamaker is not allowed to flag," said Sir Michael Perry, chairman of the Shakespeare Globe Trust, who made the donation on behalf of his company, Unilever. About £2 million is still needed.

"Tonya's everyone's Tinkerbell," I assured him.

"Or 'Casey at the Bat,' " he sug-

I didn't do too well with Coca-Cola, either. I pitched a commercial with Tonya doing a half-dozen lutzes, and then she picks up the ice from the rink and puts it in her diet

They didn't think that Tonya could sell much Coke since she finished eighth in the Olympics.
"Whom are you going to hire?" I

asked the man. "Nancy Kerrigan. She has better

I decided that my best chance was a sporting goods company like Wilson. I phoned and said, "I can get you Tonya Harding at a very low price. She could sell tennis rackets for you."

The gentleman at Wilson listened politely and said, "Wasn't she given probation for interfering in the investigation of an assault on

"She's had problems with ice skating, but she's absolutely clean when it comes to tennis. You better sign her up right away before some-one like Head does."

He declined my offer on the grounds that the minute people saw Tonya they would think of lacrosse rather than tennis.

I spoke to McDonald's, and they said they already had Nancy Kern-gan. This time I blew my stack. "Why Nancy Kerrigan? Tonya has much more feeling for Big

Macs than Nancy." "Possibly, but Nancy has a bigger name, except with the Portland Probation Board."

I was stumped. Here I had one of the greatest skating stars in America, and I couldn't sell her to any-

My last call was to the milk people. I told them, "If anyone can sell

milk, it's Tonya."

He said, "We were thinking about letting her take a whack at the account, but we had a change of heart at the last minute."

"You'll be sorry," I warned him. "Tonya would make the perfect spokesperson for milk. Everyone who watches television in America still thinks of her as the girl next

# Stephen Sondheim and the Art of 'Passion'

By Michiko Kakutani

New York Times Service

TEW YORK — "Love without reason," sings the hero of the new Stephen Sondheim-James Lapine musical,
"Love without mercy, / Love without pride or shame, / Love so consuming / It doesn't have room / For kindness / Or manners or caution. /Or blame . . . " "'Passion' is about how the force of

somebody's feelings for you can crack you open," says Stephen Sondheim, "and how it is the life force in a deadened world." Earlier Sondheim characters have longed for emotional connection, they have yearned to learn "how to let go," lower their guard, "relax, let go, let fly," but the sort of fierce, unaccommodated embrace of feeling achieved by the charac-ters in "Passion" has always tended to be

elusive in the past.

In the song "Marry Me a Little" (1970), the hero proposed a nice, safe little relationship: "Love me just enough. / Cry, but not too often. / Play, but not too rough. / Keep a tender distance. / So we'll both be free. / That's the way it ought to be." In "Finishing the Hat" (1984), the hero sang of being unable to break out of the

cool, perfect world of his painting: the woman who won't wait for you knows / That, however you live, / There's a part of you always standing by, / Mapping out the sky . . ."
In contrast, Giorgio, the hero of "Pas-

sion, is not only confronted with the frightening, enguling possibility of real love, but is also able — after considerable conflict and pain - to fully surrender. He sings of "A love that, like a knife, / Has cut into a life I wanted left alone." He sings of "total surrender" and "Love unconcerned / With being returned."

Based on Ettore Scola's brooding neoromantic movie "Passione d'Amore" (1981) (which in turn was based on "Fosca," an 1869 Italian novel by Iginio Tarchetti), "Passion" deals, on the surface, with a man's relationship with two women.

The show (which starts previews on Thursday at the Plymouth Theatre on Broadway and opens on April 28) begins in 19th-century Milan, where Giorgio — a handsome young military officer played by Jere Shea -is in the midst of a heady affair with Clara (Marin Mazzie). Giorgio is soon transferred, however, to a remote provincial outpost, where he makes the acquaintance of Fosca (Donna Murphy), his command-ing officer's willful and sickly cousin, who becomes obsessed with him.

Through these two women - whom Lapine, the show's librettist and director, sees as embodying opposing principles of light and dark, order and chaos - Giorgio will be forced to explore his own deepest feel-



Readying a new musical, Sondheim, 63, says he's "happier than I've ever been."

ings and fears. The show, as Lapine says, is "sort of about being naked. It reminds you of those moments in life, which we've all had, where we were obsessive or possessive or out of control."

Though Sondheim's work has always eschewed the simplistic, Pollyannaish conceits of the old-fashioned musical-comedy romance, the vagaries of passion and commitment have been favorite subjects throughout his long and innovative career.

Ambivalence, self-consciousness, fear of caring too much, fear of intimacy and hurt, uncertainty and yearning and regret — these are the animating emotions of songs as varied as "Send In the Clowns" and "With So Little to Be Sure Of."

Love in "Passion" is "an intoxication,"
"a great blindness," "a disease that would cripple us all." Love, Giorgio will discover. is a rude, cathartic "religion" that possesses the power to indelibly shatter or redeem his life. He will discover a love "Without cause, / Without sense, / Without laws."

**ACROSS** 

1 Caspar or

6 Rope materia

10 Chorale part

14 Florida city

When Sondheim first saw the Scola

movie in 1983, he says he had an immedi-

ate visceral response, and instantly seized upon the idea of turning it into a musical. Initially, the composer and Lapine - his collaborator on "Sunday in the Park With George" (1984) and "Into the Woods" (1987) — conceived of pairing "Passion" with another one-act show called "Muscle," which dealt with a weight lifter's efforts to create a perfect body. As work on "Passion" progressed, however, it evolved into a com-plete evening in itself, and plans to do it with "Muscle" were shelved.

"There was some personal connection clearly," says Sondheim of his first reaction to the Scola movie. "I think it's about a desire to open up, a desire to be like Giorgio." Although Sondheim told Time magazine in 1987 that he had never been in love, he says his life "has changed a lot" recently, "and it's one of the coincidences that that happened while I was writing 'Passion' and vice versa."

By turns spirited and introspective, so-phisticated and ardent, Sondheim's conversation, like his songs, possesses a verbal electricity that animates whatever he's discussing, whether it's turn-of-the-century French music or a new computer game, "Ulysses" or "Jaws."

There is a fierce critical intelligence at work here, but beneath the analytic zeal, beneath the love of language, there is also a boyish enthusiasm and directness.

At 63, Sondheim says, "I'm happier now personally than I have ever been." "It was after a struggle," he says, "and after a lot of pain — just the way Giorgio has to struggle a long time." Twenty-five years of analysis, he believes, helped lay the groundwork for the richness he now feels in his life." I'm a says and the care in his life: "It's not entirely luck," he says. "I think you have to be ready for things."

Although "Into the Woods" stands alone in its explicit manipulation of Freudian and Jungian symbols — the show used a rambunctious collection of fairy-tale characters to examine what Bruno Bettelheim called the dark, hidden world of our unconscious - self-knowledge and emotional connection remain the aims of many Sondheim characters, from Fay in "Anyone Can Whistle" (1964) to Ben in "Follies" (1971) to George in "Sunday in the Park."

While the people in "Follies" and "Merrily We Roll Along" (1981) used the past to measure their loss of youthful ideals, later Sondheim characters have been able to accept the past, even find in it the sources of redemption.

Certainly given the remarkable range of material tackled by Sondheim's shows and the fact that he has rarely initiated those projects himself, it is simplistic to try to find direct autobiographical parallels in his mu-sic. Perhaps the best analogy to his songwriting's interpretive function comes from another theatrical profession: "To write a song," he says, "you have to be the actor."

"It's like I'll play Blanche DuBois," he has explained. "You've already thought about Blanche DuBois, but I have something to say about her myself."

Like any good playwright, Sondheim does not write generic set-pieces, but high-ly specific character pieces that delve be-neath the surface to illuminate a specific individual's dilemmas, illusions and desires. At the same time that shows like "Company," "Follies" and "Sweeney Todd" (1979) were redefining the form of musical theater, Sondheim's songs were daringly pushing the boundaries of Broadway lyric writing, introducing audiences to characters as complex, subversive and nervously modern as anything in the plays of Albee or Pinter or Pirandello.

**PEOPLE** 

Annual Razzies Salute Worst of Hollywood

Dishonorable mention: "Indecent Proposal" was chosen the worst film and Madonna and Burt Reynolds were named the worst stars at the 14th annual Golden Raspberry Awards. The Razzies, "dishonoring the worst achieve-ments in film for 1993," are a spoof g of the Academy Awards, which were to take place Monday evening in Los Angeles. "Indecent Proposal," which starred Robert Redforch and Dezzi Moore, "hits on all the basic Razzie cylinders — big budget, big stars, big box-office gross-es, major studio — it was a turkey, a truly horrendous film," said John Wilson, a writer of movie trailers and TV commercials, who organizes the Razzies. Any resemblence to the Oscars is purely coincidental. 

Bill Watterson, the creator of the comic strip "Calvin and Hobbes," is tired of deadline pressure and taking the rest of the year off. Universal Press Syndicate announced. His leave starts April 3. The syndicate said that Watterson would spend some time painting.

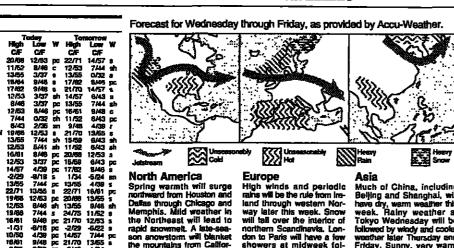
Pamela Harriman, the U.S. ambassador to France, is said by The Washington Post to be a bit unhappy these days after reading an advance copy of a biography of her by Christopher Ogden, a Time maga-zine correspondent. It's not clear what bothers her most, but the title alone - "The Life of the Party," a double entendre on her Democratic Party activities and active social life could be a troubling omen.

Zsa Zsa Gabor has filed for personal bankruptcy under Chapter II, which gives protection from creditors. Her attorney said she needed "a breathing spell to reor-ganize her financial affairs."

The actor Alain Delon and his companion, the former model Rosalie Van Breemen, have a new son, Alain-Fabien. The couple also has a 3-year-old daughter, Anouchka, Delon also has a 29-year-old son, Anthony, an actor.

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# WEATHER



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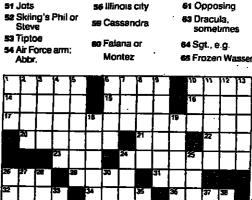
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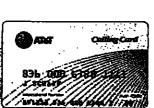
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O New York Times Edited by Will Shortz

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